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OF THE FAR EAST

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THE TELEGRAMS THAT HAVE reached the Far East about the Anglo-Japanese Alliance have provided the puzzle of the week. The matter of the renewal of the treaty is under discussion at the British Imperial Conference now in session in London. This conference began with a speech by the British Foreign Minister which was a notice to the premiers of Britain's overseas Dominions that British foreign policy was to be determined by the British Foreign Office. The discussion of the Japanese treaty began, we are told, with a speech by Lloyd George and the comments that it brought forth showed a general desire on the part of the Dominions to have the Alliance renewed. The next day brought the surprising news that the renewal of the Alliance was to be deferred for some months for the purpose of getting the opinion of the peoples of the Dominions by a referendum. We then learned that there was sharp difference of opinion over the Alliance. There seems to be three opinions among the men who are gathered together in London. The first is that the Alliance should be definitely abrogated and should not be renewed. This is the opinion of the Canadian Prime Minister. The second opinion is that there should be a Pacific Conference, a conference of leaders from all the great nations that border on the Pacific for the determination of international relations and that the renewal of the Alliance ought to be postponed until this conference has been held. The third is that the Alliance should be renewed at once but with appropriate modifications so that the Alliance will carry no threat of war with the United States. We were next informed that negotiations had been undertaken with Japan to get her consent to the provisional extension of the Alliance over a period of three months. The latest news is that the Alliance will automatically be extended for another year and that the question of extension for three months has been dropped.

THESE conflicting and changing reports probably indicate a succession of events about as follows: The British Foreign Office planned the renewal of the Alliance and the British Premier presented the subject with the idea that it could be carried in the Conference without real difficulty. Unexpected and serious opposition was encountered. Proposals were then made for consultation with the peoples and governments of the Dominions. These proposals were taken up with the Japanese who demurred and called the attention of the British government to the plain language of the treaty which says that if the alliance is not denounced "twelve months before the expiration of the said ten years," "it shall remain binding until one year from the day on which either of the high contracting parties shall have denounced it." Why, the Japanese probably asked, should we take three months when we are plainly entitled to a year? This attitude of the Japanese brought up the question as to whether the notice of a year ago to the League of of Nations did not constitute a denunciation of the treaty. Upon this question the British experts and lawyers seem to be in agreement. They maintain, as has been maintained in the columns of the *Review*, that this notice did constitute a notice of abrogation. Such a stand would have put the British government in a hopeless position, however, since the Japanese did not care to make a provisional alliance for three months and took the attitude that the notice of July 1920 did not bring the Alliance to an end in 1921.

AS matters stand now the Alliance will almost certainly remain in force for one year from the date on which notice is served upon the Japanese government that Great Britian desires to bring it to an end. From the point of view of diplomatic strategy Great Britain seems to have got herself into an awkward position. When the matter is looked at, however, from a broader viewpoint, the situation appears to be one that carries with it great possibilities for good. Publicity has taken the place of the small table and the quiet room as a method of determining one important question in the foreign relations of Great Britain. Publicity was much praised in the closing days of the war when we were all good and intended to lead a new diplomatic life. It did not count for much at the Paris Conference, however, and it is a great and rather unexpected pleasure to see it being revived at the Imperial Conference at London. Out of the uncertainties of the last week's news it seems possible to extract this one certainty. The Anglo-Japanese Alliance will not be renewed without full and open discussion in which the Dominions will take part. America is more than willing to take her chances with any decision that is arrived at in such a fashion.

THE INDEPENDENCE OF THE United States, which Americans celebrate on their national holiday, is a sort of pledge to the peoples of the world that America has a profound respect for the right of each nation to determine the form of government under which it pleases to live. No one can read the stirring words of the American Declaration of Independence without feeling again the conviction that lies at the bottom of America's government and foreign policy, a conviction that the tests of government are the consent of the governed and the welfare of the people. This doctrine is often clouded by the discussion of particular events and is sometimes denied by particular persons but it remains today, as it was first set forth in 1776, a part of the political creed of most Americans. The Chinese people today face the possibility of foreign intervention. Unless they are able to devise a plan for bringing the money-making autocrats, known as military governors, under control they will soon be face to face with financial bankruptcy which under present conditions means foreign intervention. At this time in China's affairs, while the struggle for some sort of stable government is still going on, the American Fourth of July means that the sympathy of the American people is with the Chinese, that the American people hope, as they have hoped for almost ten years, that China will be able to work out an adaptation of republican government to Chinese conditions, so that the independence of China may be securely established and the welfare of her people assured. If this is not to be, if China faces the probability of foreign intervention, the convictions which are symbolized in the Fourth of July are an assurance to China that the United States will be the last of the great nations of the world to agree to such a policy. It is impossible to say that America will oppose foreign intervention in China forever. Those who are in control in China may make her continued independence a plain impossibility. This assurance of American sympathy and support cannot be given without a warning, but the fact remains that it can be given. We have but one thing to add, the thanks of the Americans for the good wishes of the Chinese on our national birthday.

THE UNITED STATES IS now officially at peace with Germany. A resolution of Congress declaring the state of war at an end was passed on July 1 and signed by President Harding the next day. This brings to an end an anomolous state of affairs and will be recognized by all as a necessary step forward. In passing this resolution the Republican party has fulfilled one of the promises it made to the people

during the presidential campaign of last summer. There was, in fact, nothing else to be done. This Congressional resolution is a logical outcome of the refusal of Congress to ratify the Treaty of Versailles. There were up to the last moment, without doubt, some Americans who did not like to see this step taken. They did not care to see the ratification of the Versailles Treaty but they hesitated to go the whole way and enact a separate peace. This attitude made it impossible to move toward a new definition of American relations with Europe. We are now free to go ahead or, as the enemies of the present administration will probably say, the Republican party is now free to go ahead and see what it can do. The text of the resolution that brought the state of war to an end will be awaited with more than usual interest. The Knox resolution, which was vetoed by President Wilson, contained a new statement of American foreign policy. It was hailed by some as the most sweeping statement of America's relations with the rest of the world that has been formulated since the announcement of the Monroe Doctrine. It was a statement that America had no intention of becoming involved in the administrative problems of the Old World. We have no way of knowing whether the resolution that has now been signed carries with it any such statement, but, whether it is put into words or not, a policy is being worked out on other lines than those followed by President Wilson, a policy for which the Republican leaders will be held responsible at the next election, a policy which will be followed for the next four years and which is probably more in accord with the settled convictions of the American people than the Wilsonian compromise at Paris. Now that this resolution is signed the President and his advisors can get forward to more important matters than the ending of a war that was over anyway.

WILLIAM HOWARD TAFT, ex-President of the United States and former Governor-general of the Philippine Islands, has been appointed by President Harding to serve as Chief Justice of the Supreme Court of the United States. One more man is added to the list of presidential appointees from among those who know the Far East. This fact adds to the satisfaction that will be felt among Americans in China at this appointment. Ex-President Taft has more friends and admirers among Americans at the present time than he has had since his election to the presidency. He left the White House apparently a discredited man, he will return to Washington with a full measure of the regard and respect of his fellow citizens. The American in the Far East must be allowed his bit of special gratification over this appointment. There is one more man in high place in Washington who knows that a water-buffalo is really nothing but a carabao with a strange name, who knows that there is an island called Sakhalin, who knows, in short, what we think and feel and hope in this part of the world. The more such men there are the better. Nothing makes us happier than to see their number added to. So while we congratulate ex-President Taft we congratulate ourselves.

Chinese Criticisms of the Consortium

BY T. V.

FIRST of all let me say at once and without reserve that I am a whole-hearted supporter of the Consortium as its negative program goes. Nothing was more helplessly distressing to a Chinese who had the interest of his country at heart than to see valuable national assets being signed away day after day by unscrupulous politicians who immediately squandered away the money obtained at such cost. It is with a sigh of relief and gratitude when we heard that Mr. Lamont was finally successful in restraining, temporaily at least, the evil influence from making further loans to keep alive the political cliques.

It is the positive program of the Consortium, or the lack of it, that is causing misgivings and anxiety to those whose attitude towards the Consortium has been friendly. The representatives of the Consortium have repeatedly declared that they have no money ready to lend, nor are they anxious to do so, but if the Chinese government wants funds for constructive purposes, they are prepared to consider such proposition as, for example, a loan to complete the Hukuang Railway. They add that such a loan can only be made with full supervision as to its expenditure. On the face of it there is nothing to oppose for have not most of our railways been built with loans and under supervision? Why should any one oppose a proposal from an international organization whose avowed purpose is to avert the dangerous consequences of consolidating foreign sphere of influence by railway building?

Before this question is answered I should like to make a diversion and to state clearly the real needs of China at the present time. Everybody agrees that the Republican government has been a failure, but people differ widely in assigning reasons for it. The most common idea is that the Republican regime has failed on account of the lack of education and means of communication. That these are fundamental difficulties in realizing a democratic government in China is, of course, obvious, but how are we going to bring about the necessary improvement? As far as education goes, it is clear that before a good system of public instruction can be built up it is necessary to have a tolerably good—or let us say stable—government, for does not the present teachers' strike teach us the lesson? It will only be putting ourselves into the vicious circle if we say that a tolerably good government must come after education.

Nobody can deny the importance of communication in the political development of a country. But I doubt if the means of communication has anything to do with the present political situation in China. Nowhere is the railway service so well connected as that between Tientsin and Mukden and yet there is

probably less political sympathy between these two cities than say between Shanghai and Canton. That is, however, not a problem we need consider here in any detail. The question we want to put to ourselves is, "will China be able to develop her own railways without foreign aid?" Allow me to go into the matter at some length.

What are the necessary equipments for any nation to build its railways? If we neglect for a moment the numerous things connected with railways, the two essential factors seem to be capital and technical skill. By technical skill I mean to include administrative and directive capacity. Twenty years ago this country possessed neither of them. But today it is fast acquiring enough of both to become a modern industrial nation. This is a fact which the compradore-ridden old fashioned foreigners in China resolutely refuse to see. Yet in all branches of industry where the necessary raw material is at hand we are learning every day to do things more efficiently.

Take mining, for instance. Before the Republican Revolution there was not a single modern coal mine owned and staffed by Chinese themselves. In 1916 already such mines not only existed but their output amounted to 2,700,000 tons. In 1920 this increased to 3,700,000. I have taken mining as an example because I happen to have the figures at hand, but take any other big industry such as cotton, the same rapid process of modernization holds true. If we have been able to modernize the mining industry, which is in fact far more difficult and dangerous than railway building and we have far more experience in the latter than in the former, it is surely possible for us to build railways unaided. The completion of the Peking-Suiyuan line under extremely unfavourable circumstances and the $6,000,000 car loan recently concluded form a standing demonstration that neither money nor technical skill is really lacking. Imagine, for example, the annual net surplus of the $19,000,000 derived from the working of the existing railways, or a portion of the $150,000,000 received from domestic loans be used for the building of new lines, the available capital for railway construction would then far exceed the amount the Consortium is prepared to supply. It is, therefore neither the lack of Chinese capital nor that of Chinese technical efficiency that has hampered railway development. I do not mean, of course, that we would be contented to limit ourselves to our own available resources and exclude the foreign supply, but rather that domestic capital and technical men, if given a chance, would be able to set things agoing, and put ourselves in a far better position to introduce foreign money into the country.

It is nothing but dirty politics and dishonesty in the government that have prevented such beautiful dream from becoming true. The squandering of national revenue on the one hand and the lack of security on the other have effectively prevented the utilization of either the national or the private means to complete or extend the urgently needed trunk lines. Instead of showing us the way how we can get rid of the political parasites, and organize a stable government and help us to that end, we are told that the Consortium is to finance those railways that have the best prospect of paying at a rate of interest not lower than the Chinese bankers would offer and will demand the best security in the country as guarantees. Can you wonder that the well informed Chinese is only mildly interested?

Of course, you may say what is insecure for the Chinese is secure enough for foreigners, because foreign interests have so far been scrupulously respected in China. Consequently, as we can not develop our means of communication because of political trouble, we ought not to hesitate to utilize friendly help from foreign countries. The argument would indeed have some force if the premises are true. Unfortunately the security of foreign property in China is altogether a relative one, accidently brought about by the fear of foreign intervention. The lessons learnt from the Boxer rising have been taken deeply to heart. The brigands might rob, kill and burn all that they come across, but they used to leave scrupulously the foreigners alone. Soldiers might become mutinous and loot, but the richest foreign settlements were left unmolested. The government might be near the verge of bankruptcy, but foreign obligations are always promptly met and discharged. The dread of foreign intervention hung as a invisible sword over their heads, and brigands and officials, however degenerated and corrupt, were after all patriots at heart, and would be sorry to be responsible for bringing about the events dreaded. I speak of all this in the past tense because there are clear signs indicating that this kind of thing can not exist for very long. We begin to hear that foreign travelers are held up for for ransom, missionaries shot dead in a mutiny, military governors take away aeroplanes contracted for commercial purposes, and, worst of all, the Central government begins to fail to pay the interest on the foreign loans that have not been provided with specific revenue as guarantees. In a shorter time than foreigners imagine the whole bubble of non-interference with foreign property will burst. The European War on the one hand and the inability of European powers to check the ambitions of Japan on the other have once for all lowered the prestige of the Occidentals in China.

Suppose the Chinese government contracts loans with the Consortium to build railways, but instead of being able to proceed with the work, obtruction sets in, engineers are shot at, lines are torn down when the military consider necessary, cars are taken away forcibly by soldiers, or even the revenue derived from the lines is partitioned between the different war lords who happen to control the strips of territory. A horrible picture it must be, but had we not better be prepared for such eventuality from the beginning? In fact, can intelligent foreigners be blind to such a risk? Moreover the anti-foreign sentiment in China is still strong though latent; half a dozen agents provocateurs from any disloyal member of the Consortium can easily undo the work of months of propaganda by Mr. Stevens. The Peking government is aware of this and its members have not even enough courage to sell their country. Besides, the Peking government governs only Peking, its orders can hardly go outside the city wall. Any contract concluded with it for railway building or any other public works outside Peking is not worth the paper it is written on unless, of course, the foreigners are prepared to support their claims with foreign bayonets.

This at once proved the contention of Prof. Dewey that the Consortium is not a simple financial organization but has also a distinct political aspect. "The Consortium," says Prof. Dewey in the *New Republic*, "was not initiated by American bankers. It is a matter of record that the first move came while the war was still on, from the State Department under Mr. Lansing who is presumably familiar with the Chinese policy of John Hay and interested in its becoming an actuality, instead of, as is largely the case, a scrap of paper." This is, in fact, the key to the whole situation. The intelligent Chinese is

far from ignoring the aspect as Prof. Dewey seemed to assume. They even go a step further. The original object of the Consortium was political—let us say benevolently political, but its present profession is purely financial. I have tried to show that if the financial deals come off at all political consequences will follow. No honest foreigner can deny this and in discussing the Consortium in relation to Chinese politics this fact must be kept constantly in mind.

In other words, if the Consortium is prepared to invest any large sum of money it is not enough to supervise the immediate disembursement of the funds, but it must be prepared to undertake active intervention when the money interests are threatened. Let us discuss that as thoroughly as we can.

First of all, any organization either for supervision or for intervention must be presumably international. The members of such an organization represent widely divergent or even opposing interests, which are neither equal in extent nor identical in in kind. Will such machinery work smoothly and efficiently? While it would be unfair to condemn it in advance merely because it is an international organization, the fact stands that no such machinery has yet attained anything like succession. We must also remember that the part each member is to play will be presumably equal in share. How to reconcile the fundamental difference in point of view in such a crowd seems to me to be beyond the power of the Consortium.

To whom shall such body or organization be responsible? Obviously it cannot be responsible to the Chinese people though it is ostentatiously organized for their benefit. No doubt each member appointed by his government will be answerable to that government, which can hardly exercise a real control in detail even if they wish, but the organization as a whole will be responsible to nobody. That will certainly not work for efficiency nor for the benefit of the Chinese people. What will probably happen is that each will try to do his best to serve his own government, banks and investors in his own way, and there will be a constant compromising process going on, and the people whose interests are the most vital will be the one most neglected.

We are assuming that the Consortium will successfully hold together, but can we be sure that this will be the case? Let me only mention two of the many ways in which the American people may be ultimately crowded out of the Consortium of their own creation. They may find that they have to supply the major part of the money, but not obtaining the corresponding influence in the council chamber (as it was the case in the making of the Versailles Treaty), and tired of the undignified squabbling, they may give it up with disgust. On the other hand, if the Chinese people stand up against the Consortium with or without just reason, or if the brigands, either as brigands or disguised as soldiers, interfere seriously with the working of the Consortium building railways, there will be nothing left to do but active military intervention. Will the American people whose interests are not even identical with those of the banks that represent them be prepared to send troops across the Pacific Ocean to suppress the rebellion, or will they invite the Japanese to do the job on their behalf? In supporting the Consortium what guarantee will the Chinese people have that the relatively disinterested party will predominate in its council or that they may not be some day deserted and left to fight the Japanese single-handed? The Americans invited the latter to intervene in Siberia. When it had failed, America withdrew, but the Japanese are still there. Will not the same thing happen here with even greater certainty?

It is for these reasons that those of us who support the Consortium in its negative aspect can not see our way to support it in its positive program or lack of program, because in so doing we will be *committing ourselves to an unknown extent* and *trusting the destiny of this nation to a small group of men mutually jealous and collectively irresponsible.*

What is the alternative?, it may be asked. The alternative is clearly that those foreign powers which are interested in seeing China having a stable government must give the Chinese themselves a chance to work out their own salvation, without outside help or interference. We have seen that China has already learned the lesson of modernizing her industry. There is no reason why she should not learn to modernize her politics. That has not yet been done hitherto because firstly, there has been too little breathing time from the monarchy to the Republic; secondly, the best element in the country has not yet united; thirdly, the fear of foreign intervention has so far prevented a free and fair struggle, and last, political loans have kept many unworthy governments alive for a longer period than necessary. Since the organization of the Consortium, however, the internal situation is becoming every day more desperate, the political struggle more open and on a fairer footing, and the better part of her educated sons realize more and more the necessity of concerted action in politics.

Already in those provinces where revolution has had a freer play the men now in power are much better than their predecessors—there is little question that the present rulers of Canton, Hunan, Yunnan and even Szechuan are the best among their comrades and represent far more the younger generation than the Northern generals and ministers, and if the progress of political evolution is not unduly interfered with, real leaders will be forthcoming. No country in the world can settle down peacefully after a tremendous but short revolution like the one we had in 1911, and China cannot be expected to put her house in order when all the officials, civil and military, who have been responsible for the Manchu misrule are still in power. The overthrow of these parasites and adventurers is a matter of time. Education or no education, communication or no communication, there are enough honest and educated men in this vast land to make a beginning of modern government.

It is leadership and union that are lacking, and leadership and union can only be evolved when sufficient time is allowed for a free struggle in which the unworthy pretenders will be gradually weeded out and the better element learns to recognize the best man to support and follow. China does not need any active foreign support—their moral and negative approval will be all that is necessary. Besides, no political party can succeed in any national cause when it relies on the foreigners to intervene in their favor. The stories of Koltchak, Deniken, Yudenitch and Wrangle form an illuminating passages in human history. Nor will China be an exception. Yuan Shih Kai died in failure in spite of the Reorganization Loan, and the Anfu party was smashed to pieces in spite of, or rather because of, the Nishihara deal. If the foreign bankers and governments have a little broader vision and greater patience, in ten years time China will be standing on her own feet.

It is for this reason that I agree most heartily with Prof. Dewey that the real success of the Consortium is its failure to make loans. If it succeeds in keeping the hands of the other nations off China for five years more it will have done us the greatest possible service. Those foreigners who are anxious for nothing but to exploit us economically for their benefit, should remember that a really modern China under her own rule is a far more profitable and bigger market than a China kept alive by foreign money and administared by foreign bankers. Besides, it is impossible to weigh the destiny of a nation against the financial gain or loss which cannot but be temporary. When Mexico was at the height of anarchy, the cry of intervention was constantly loud, but just because Ameaica has left the Mexicans to fight out their issues themselves, Mexico is gradually settling down to peaceful development. Ten years hence when the fear of intervention and memories of foreign exploitation become dim, the Mexicans will remember with gratitude that in her hour of trial the people of the United States had faith in them and sacrificed their immediate interests for the sake of the Mexican people. Why not do the same thing here in China?

It is true that the interest of the average American citizen in Chinese affairs is much smaller than in Mexico but I am sure that the issue is not less vital. If America allows intervention in China and her affairs, the intervenor will use the resources and even the manpower of China to strengthen himself until he becomes a formidable menace to American safety. The only way of preventing him from carrying out such a design is to refuse to listen to any proposal of intervention whatever form it may assume. Once America is a party to the policy of intervention—and I do not see how she can avoid that if she insists on immediate financial business with the Chinese government—she will have no more control over her allies than they have over her, and ultimately the tragical adventure in Siberia will repeat itself; the only difference will be that the crime will be greater and the vital interests of the American people more seriously compromised.

An American friend of mine to whom I expressed similar views has pointed out that I seem to wish the American members of the Consortium to build up for China a bulwark against Japan, which is strictly not their business. They are essentially bankers and are out for financial gain. If they can do that and serve the American and the Chinese people at the same time, so much the better, but they cannot be expected to keep the Consortium going when there is no business to be done and no prospect even to get back the expenses incurred. To this I must first reply that the Consortium was not initiated by the bankers but by the State Department. It is for Mr. Hughes to consider whether it is not the essential policy of the United States government to keep it alive at all costs. From the purely financial point of view it seems to me that there are certainly ways and means of making the Consortium at least self supporting if not a financial success.

In my opinion it is useless to think of building the trunk railways which must necessarily be strategical and therefore political. Mr. Lamont told me that the first thing he wanted to take up, was the Hukuang Railway because it was something big and attractive and will capture the imagination of the American investors. Unfortunately it will equally capture the imagination of the Chinese people who will be alarmed to see a transcontinental railway nearly completed fallen into the hands of foreign bankers. Besides, the Americans have already had dealings with that unfortunate railway and have not inspired confidence. The territory on which the line was to be completed is not under the control of the Peking government with whom the Consortium has been trying to deal.

Why not begin with some other lines, shorter in distance, less important in strategy, but quite profitable from a purely business point of view? There are several important coal fields in Southern China waiting for development because of the lack of means of communication. It is a comparatively easy matter to connect them up with a port or some existing railway. Such a line has much less chance to be involved in any political trouble since it is usually outside the important strategical points, and it is much easier to obtain the consent of the local people because the prospect of establishing new industries will probably outweigh many other considerations. Instead of going to Peking to negotiate with the nominal Central government and try to force it on the provinces afterwards, it is far easier for the negotiators and more acceptable to the provinces, if such negotiations begin where the people's interests are most vitally affected. If the Consortium succeeds in getting their consent to any concrete proposal, it will be difficult for the Peking government to obstruct or refuse This can only be done if the members of Consortium can get Chinese capitalists to cooperate and leave much of the negotiation in their hands. In this way the Consortium will become a purely financial organization as some of its members profess or desire it to be. Otherwise, no amount of propaganda will change its political character, and a political organization with only financial gain as its ultimate goal is predoomed to failure.

Is Japan's Aggressive Policy Turning Chinaward Again?

BY UPTON CLOSE

JAPAN'S Asiatic policy wavers with the winds of opportunity insofar as concerns the object toward which it is directed but it has not within recent years changed in its nature, which is essentially and baldly aggression. There is a growing body of public opinion in Japan which is professedly opposed to this policy, but which, being founded upon ethics rather than practical diplomacy, has not evolved any coherent solution for Japan's international problem, has failed to be a factor in the councils of the nation.

This international problem is far more acute than those who sweepingly condemn the conduct to which it gives rise, without sympathetically investigating the motives lying back of this conduct, are likely to be aware. The nation, in a way, creates its problem: it is yet more true that the problem rules the nation. Japanese opposition leaders may speak or write impressively against the aggressive and empirical policy of the "militarists" but should they today become the government of the nation they would perforce themselves become as imperialistic and militaristic as their predecessors. There is great room for improvement in the finesse with which Japan's imperial policy is carried on—there is no room for an abatement of that policy.

Japan's basic difficulty is that she has assumed a false position in the society of nations, a position which the prosperity as well as pride of her people

compel her to maintain. To make the matter worse, this position, which was rather unconsciously assumed, has been more foolishly granted by her sister nations, who expect, and even, as in the case of her ally, demand that she shall maintain her status, as a first-class power. Those who look for ulterior motives in all diplomacy may say that this is the best way to break or humble Japan. If the ally knows and desires such an outcome, Japan, is equally cognizant of the situation, which makes it the more necessary for her to held up under the strain.

The nation today is in the position of a man who is living far above his resources, and holding, thereby, a place in society which is not economically founded. The resources of the nation in iron, in copper, in coal, in income from taxation, in agricultural land, even in man-power, are insufficient to enable her to keep the terrific pace of a modern first-class power. There are only two alternatives—she must come into possession of easily exploitable resources outside of her own islands or she must resign herself to a fate which seems to have allocated her to the scrub team of the world's players. Unfortunately, she has rebuilt herself upon the plan of a first-rate power. An important mass of her people, silk and rice-growers as well as factory-hands, have become dependent upon enterprises of a capitalist class which is itself in turn dependent for prosperity and continued opportunity upon a high national prestige. Japan has built up herself on the model of England, but she is encountering many more obstacles in building up her empire than crossed the path of the British. She is probably a hundred years too late. Yet, there is a constantly alluring opportunity in the weakness of China and Heaven itself seemed to open the doors to empire in Siberia three years ago. I believe that the government of no nation in Japan's position would have neglected to exploit such an opportunity. But failure to concentrate spells defeat in empire-building.

When the opportunity in Siberia arose Japan had a free hand, so far as outside powers were concerned, in China, and was playing it freely. So freely, in fact, and so crudely that she had focused upon herself the fundamental Chinese fear and hatred of the foreigner. She made the mistake of allying herself with Chinese who were not acceptable to their own people. Just in time to preserve their sovereignty, large numbers of Chinese in the principal cities, aroused to a high pitch by the students, brought about the overthrow of the officials upon whose position Japan had staked too much. Had Japan, through force, upheld these men in power, China would have been hers. But her militarists hesitated before the public opinion of the world, her government weakened, and her merchants quavered before the boycott An Anglo-Saxon race in a similar position would probably have disregarded the talk of the world, braved all difficulties, and staked everything on winning, an empire.

The Japanese, however, usually strike at not the right moment. China again slipped out of their grasp. Then came the opportunity in Siberia—apparently so much more easy of accomplishment. A "liberal policy" was declared toward China. The Japanese Legation in Peking adopted an attitude of sweet and patient reasonableness in its communications to the Waichiaopu.

China's Foreign Office was given great "face" by the withdrawal of the Japanese forces from Hungchun following that office's demands. Political loans to Chinese cliques were discouraged and interference in internal Chinese politics was decried.

So "liberal," indeed, has Japan been that she has refused to assist her own financiers to collect their bad debts from the Peking treasury, and has allowed the Chinese to make play of the matter of indemnification for loss of Japanese life and property through internecine strife and mutiny in Hunan and Hupeh. The Japanese Legation with the exception of its sheltering of the Anfu leaders, who have been kept against the possibility of a change of policy, has quite preserved the dignity of the government to which it is accredited, and if ineffectiveness be the measure of friendliness, has demonstrated itself to be as friendly as any of its sister Legations in Peking.

There are cumulative indications that this "liberal" policy is no longer to be followed. The pendulum is swinging back to the old policy of open aggression, intimidation, and undisguised support of some political clique and participation in China's domestic politics. The Siberian counter-attraction had proved to be not worth the game—Japan has found there a race harder to deal with. The Japanese people have lost faith in the Siberian venture, the army of occupation is sick of the country, the military commanders in their communications home show a loss of heart, and the opposition party in Japan is capitalizing the failure. There is a growing faction among the Japanese who are willing to sell a shady prospect of empire in return for a few concrete trade, mining and fishing concessions, and who are suggesting to the Russians that some sort of rapprochement at China's expense is the practical thing. The Russians, who have gone to every length to secure a working agreement with China at Japan's expense but have been rebuffed by an uncalled-for show of dignity combined with an attempt to follow the policy of Europe at China's Foreign Office, and the imposition of a trade blockade in Manchuria at the order of her war lord, Chang Tso-lin, are being driven to the Japanese proposal.

Had China sufficiently and wisely backed the Chita government, if to no further extent than to assist the provisioning and replenishing of inner Siberia from China, Chita would have seen its way clear to insist upon the evacuation of the Japanese without concessions and without price, even at the risk of an appeal to arms. The Russians would have been glad to make an offensive and defensive alliance with China—a thing of tremendous value to the preservation of China's sovereignty. As an agent of the Chita government expressed to the writer about the time of New Year, the great need of Siberia remains the same as that of European Russia—it is the importation of foreign foodstuffs and products to replenish a drained land. Chinese merchants have been keen to take part in such a replenishment. The Chinese rulers, so far from endeavoring to remove obstacles in the way of trade, have placed restrictions upon it, and the Chinese Office Foreign has been sufficiently devoid of a sense of humor to inform the Chita representative that his organizatio can not properly be called or recognized as a government. Mr. Yourin left Peking convinced of the hopelessness of relying upon China for anything, even encouragement against a common enemy. Thus the Foreign Ministry operating upon what it considers to be modern lines of non-committal, has frittered away the golden opportunity to make friends with Russia at Japan's expense, and it is quite within the realm of possibility that Russia and Japan will reach some sort of *modus vivendi* at China's ultimate expense.

The Ministry of Foreign Affairs, however, it may have erred, has done so, one must believe, honestly. It has endeavored to cope with a situation beyond its capacity through a policy of *laissez faire*. There is a more sinister aspect to the attitude of Chang Tso-lin, who, in the conviction of many, is the paid agent of Japan. The recent Cabinet changes, generally conceded to be pro-Japanese, and which have come contemporaneously with the Imperial Conference on foreign policy in Tokyo and the renunciation of the non-interference attitude toward China, were engineered by Chang Tso-lin, who personally visited the capital to precipitate them. It is significant that the Japanese Legation felt confident of the downfall of Yeh Kung-chow and Chow Tze-chi, ousted Ministers of Communcations and Finance, while many Chinese politicians still believed that they were winning in the political battle.

Evidences are not lacking that the Japanese rulers, considering their self-declared "liberal policy" toward China to have accomplished its purpose, and to be an obstruction to the redirection of the imperial policy from Russia toward China, are openly hardening their tone. There has been an advocacy of a return to the policy of the Terauchi cabinet, which dictated the Twenty-One Demands. It has become popular for Japanese Cabinet members to declare upon the helplessness of China to save herself, and the necessity of foreign intervention led by Japan. The new Japanese Minister of Finance has proposed international financing secured by Japan. Obata has been called to a conference in Japan and it is fairly certain that he is being instructed that upon his return he is to abandon the note-writing and revive the big fist. Japanese influence in Chinese domestic politics is again evident, and rumors of Japanese loans are flying as thickly as in the loan-boom days of 1919.

China, while pursuing the traditional policy of waiting for someone else to fight her battle, has failed to take advantage of the period of respite while Japan's attention has been directed to the north. She is further from unity and national strength today than when, under the severe pressure of Japanese persecution, her incohesive elements were temporarily welded by the heat of patriotism kindled by zealous young men. At that time, Japan retreated from the fury of the people whom she had driven to bay, and it was commonly said that, given a few more years, China would be able to care for her own Japanese problem. It has, however, been demonstrated that her selfish chiefs and factions can not be forced together except under pressure of an immediate threat, and the moment when that pressure is lightened their unity and patriotism alike vanish. This truth Japan has now demonstrated, and it may be concluded that she will be guided by her new knowledge in her future China policy. She has, through the period of "liberal policy," had opportunity to test the strength of the boycott. She has stood by and congratulated herself as she has seen the popular movement strangled by politics, and the zeal of the students frittered away—partly because of bad advice on the part of their foreign councillors. In the same connection, she has had opportunity to test the real nature and import of foreign symathy for China, and she is convinced that, so long as the foreigner can be assured in regard to his special interests and privileges, his sentiment is toothless. China, having frittered away these years of golden opportunity, will never again be able to call to her aid the world-wide sympathy which her predicament summoned at the time of the student rising.

Japan's first and foremost aim at the present moment, for which she is playing her highest card, the Crown Prince, is to secure the renewal of the Anglo-Japanese Alliance, on as nearly the original terms as possible. If, as seems to be the case, she feels assured that she has obviated the danger that her dealings toward China might wreck the Alliance, she will not hesitate, for the sake of the preservation of her own position and prosperity, as well as pure militaristic ambition, to reapply to China that aggressive treatment the reaction from which she believes time to have demonstrated that she need not fear. It is rumored that she is beginning with an attempt to bag the Chinese Eastern Railway and the ex-enemy concessions. True to form, she should begin at China's weakest spots.

The Larger Significance of July Fourth*

BY CHARLES SUMNER LOBINGIER.

The unveiling to-morrow in Birmingham of the Lincoln plaque, engraved with the famous Gettysburg oration, will terminate a chain of ceremonies in England lasting over a month and including the dedication of Sulgrave Manor, the Washington ancestral home, on June 21 and the unveiling in Trafalgar Square on June 30, of the Washington statue presented by the Virginia Commonwealth These events give a new significance to our nation's birthday and serve to remind us that the struggle which it primarily commemorates, and whose most spectacular feature was the Declaration of Independence, was not a merely local and isolated episode in history. Thanks to the suggestive work of British historians, like Lecky and Sir George Trevalyan, we have come to see that the American Revolution can fully be understood only when studied in connection with preceding acts in the great drama of Anglo-Saxon democracy's unfolding, of which our Revolution was an integral part. The colonists of 1776 were largely British; all were at least heirs of English thought and civilization. And just as the insular Englishmen of the seventeenth century sent their king to the scaffold, so the colonial British of the eighteenth, indicted theirs. For the Declaration of Independence was nothing more nor less than a criminal indictment [1] and its glittering generalities [2] are often surplusage and sometimes grossly misapplied. When the Commonwealth leaders captured Charles I they did not assassinate nor torture him—they tried him according to law, found him guilty of a criminal offense and imposed the appropriate penalty. The Continentals of the succeeding century never possessed the person of George III; hence they could not formally try him according to English usage; but they indicted him. In the Declaration of Independence the Continental Congress presents formal and specific charges—not against the mother country, nor against the British nation, but against the king. And they do not stop with mere charges; they offer evidence and, having no other tribunal, call the nations to judge. "To prove this" they recite at the close of what lawyers term "the charg-

*Address at Shanghai Community Church, Patriotic Service, July 3, 1921.

1. "Under the amending touch of Congress the Declaration of Independence assumed, and kept, the shape of an indictment against the King." Trevalyan, The American Revolution (New ed.) II, 162.

2. "Its constitution the glittering and sounding generalities of natural right which make up the Declaration of Independence." Rufus Choate.

ing part," "let facts be submitted to a candid world." How careful they were to observe the forms, and even to employ the phraseology, of the law!

We must always remember, however, that an indictment is an *ex parte* document; its office is to state merely the prosecution's case. The important fact about the Declaration of Independence is not whether its recitals are all literally true, but that it was *the legal and proper mode of procedure*. The men who wrote, and were responsible for it were lawyers [3] —not necessarily practitioners but versed in the eternal principles of the Common Law. It is said that, after the Bible, the book most widely read in the American colonies before the Revolution was Blackstone's Commentaries. [4] The men of 1776 desired liberty, but in accordance with, and under the safeguards of, law. And this has been the chief mark of distinction between the struggles of English speaking peoples and those *e. g.* of Latin-America. The former have adhered strenuously to at least the usages of law.

Always when in Philadelphia I visit that little room in Independence Hall where this Declaration, and later the others of that trinity of American charters—the Articles of Confederation and the Constitution—were framed and adopted It is indeed one of the most historic places in the Western world and sordid must be the soul of the American whose patriotism is not stirred by its associations. But I never appreciated its full significance until I stood within the gray walls of Westminster Abbey whose Chapter House has been aptly called "the cradle of all free parliaments." For it housed the assembled estates which met first in 1265 and later became the mother of all existing legislatures—of our own as well as those of Europe—of the latest, opened the other day in Belfast as well as of that soon to be opened for India.

The political history of the English speaking peoples is one and continuous and their chief glory has been to extend democratic institutions in the modern world. Those epoch-making documents which emanated from the "Declaration Chamber" at Philadelphia—great and significant as they were—did not stand alone. They were worthy successors of, and in a class with, others which had issued amid the storm and stress of the Anglo-Saxon struggle for liberty—Magna Charta, the Petition of Right, the Agreement of the People, the Instrument of Government and the Bill of Rights. And each of them embodied the idea which has thus become the heritage of all those peoples—liberty in accordance with law.

Had this heritage remained their *exclusive* possession there would be less fitness in our observance of the Fourth of July in the Far East. But these ideals of our liberty loving forbears, their descendants have borne around the world. The century following the Declaration of Independence witnessed the greatest expansion of those peoples. Our American branch, spreading away from the fringe of settlements on the Atlantic coast, swept across the Alleghenies and into great plains, over the Rockies and beyond—until at last they reached the sea and then not even the great Pacific could bar them from the Far East. And while they were felling the forests and harnessing the rivers, pushing back the arid line,

> "Plunging the plough share deep
> Into the prairie's thousand centuried sleep,"

they were also building civil communities, founding great states and spreading the Anglo-Saxon idea of liberty in accordance with law.

And while the daughter branch was thus expanding the mother branch was not stagnant. Checked for a time in the West it turned its face to the East and England as well as America profited by the Revolution. From it the former learned so to govern her colonies as to hold them and one of the results is the league of self governing dominions whose representatives gather to-day in Downing Street. It is a significant fact, moreover, that Britain's proudest achievements abroad followed her defeat at Yorktown. Lord Cornwallis, who there surrendered his sword to Washington, afterward won great renown for the British arms on the battlefields of India and became its first Governor General. When in St. Paul's Cathedral I came upon the statue of Cornwallis, garbed as a Knight of the Garter, and found nearby the statue of Lord Nelson, England's greatest naval hero, I realized how high was the rank now accorded Cornwallis. For he was but one of a series of Far Eastern empire builders beginning with Clive in the middle of the eighteenth century and including the much maligned Warren Hastings, Sir Stamford Raffles at Singapore, Sir John Bowring at Hongkong, Sir Henry Pottinger and Rajah Brooke. Such were the men who helped to give Britain that mighty dominion so eloquently described by our own Daniel Webster,

> "Whose morning drum beat, following the sun
> And keeping company with the hours,
> Encircles the earth with one continuous and unbroken strain
> Of the martial airs of England."

But they did more than this; for in bringing British rule into the Far East they brought with it, peace and order among warring tribes and justice for oppressed peoples. The *pax Britannica* is as well established in this part of the world under King George V as was the *pax Romana* under Augustus Caesar. These British pioneers, in other words, have been doing for the Far East, tho in a different way, what our humbler statesmen of backwoods and frontier—our Seviers and Robertsons, our Clarkes and Houstons, our Whitmans and Fremonts had been doing for the wilds of Western America—all were extending the sway of the Anglo-Saxon notion of liberty in accordance with law.

The Fourth of July, then, is no more local or provincial holiday; it commemorates rather a mighty landmark in the evolution of Anglo-Saxon liberty and it was not without ample reason that a great British journalist, the late Mr. Stead, proposed it as a common holiday of all English speaking peoples. Nor is its real significance confined to these; it belongs rather to all those peoples who have become the heirs of Anglo-Saxon thought and civilization, among whom are several peoples of the Far East.

Indeed the day has already acquired a place in Far Eastern annals. On July 3, 1844—just seventy years ago to-day—at Wang Hia, a suburb of Macao, representatives of America and China signed their first treaty—a document which not only marked "the beginning of recognized official relations between" them [5] but afforded a model for other nations [6] in their dealings with China. For

3. Cf. Maine, Ancient Law, 95 where the author speaks of the "colonial lawyers who guided the course of events in America."

4. "Burke was informed by an eminent bookseller that in no branch of his business, after tracts of popular devotion, were so many volumes exported to the colonies as those which related to the law. Nearly as many copies of Blackstone's Commentaries had been sold in America as in England. So eager were the colonists to read our treatises on jurisprudence that they had fallen into the way of reprinting them across the Atlantic." Trevalyan, The American Revolution, I, 72.

5. Latourette, Early Relations Between the United States and China, 144.

6. Williams, The Middle Kingdom, II, 567.

the treaty of Wang Hia was not a grant of concessions forcibly wrung from a weak adversary but an agreement between equals, reciprocally conceding rights and privileges which they were willing to define and publish

On July 4, 1868, the Japanese shogun's forces were finally defeated at Uyeno, [7] the old feudal regime was overthrown and the era of new Japan commenced. But for the origin of the movement which culminated on that day we must go back fifteen years earlier to our Commodore Perry who opened Japan to the world. Truly July 4 should be a notable date in Japanese history.

A former Philippine Commissioner who is, incidentally, a good friend of mine, once contributed an article to one of our leading American magazines entitled, "Shall the Filipinos Have a Fourth of July?" But it has always appeared strange to me that he could not see that they already had one. For it was on July 4, 1901 that civil government was inaugurated and Anglo-Saxon political institutions established in the Philippines. July 4, 1902, witnessed the promulgation of the Philippine Bill, a successor of those great political documents of which the Declaration of Independence was a type. July 4, 1903, saw the completion of the Pacific cable placing the Philippines in hourly touch with the progressive civilization of the West. Who shall say that the Fourth of July is not a day for Filipinos?

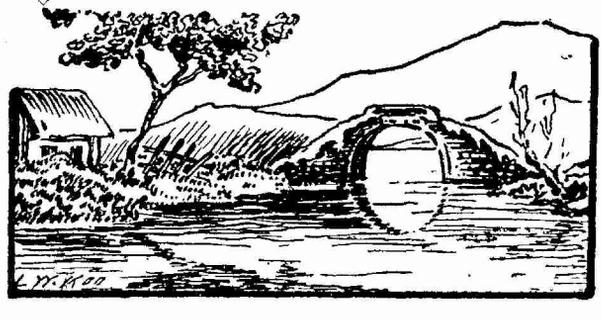
And even more than the ideas and institutions which the English speaking peoples have brought to the Far East, their language has entered into the life of its inhabitants and is fast becoming its *lingua franca*. In the Philippines, English is the sole medium of instruction in the public schools which are attended by nearly a million Filipino children. In Japan English is the first language taught in the government schools after the vernacular. And in China, as we know, practically all the higher institutions of learning are staffed by English speaking instructors.

Now English is a great vehicle of democratic ideas. It is the language not alone of the charters, but of the prophets, of democracy—of Cromwell and Washington, of Lincoln and of Gladstone as well as of Shakespeare and Emerson, of Burns and of Whitman.

And so on this great Anglo-American anniversary let us emphasize neither traditional differences nor petty prejudices, but our kinship, our common achievements and our common heritage from that mother country whose hand has rocked the cradle of so many democracies and whose greatest poet laureate sang to her

> "Strong mother of a Lion-line,
> Be proud of those strong sons of thine
> Who wrench'd their rights from thee.
>
> * * * *
>
> Whatever harmonies of law
> The growing world assume,
> Thy Work is thine. The single note
> From that deep chord which Hampden smote
> Will vibrate until doom."

7. Longford, Story of Old Japan, 347.



Broad Tires and Good Roads.

BY J. E. BAKER

THE winter just passed has seen a large forward movement on the subject of improved roads in China. In the thickly inhabited centers improved streets have been part of the program of progress for several years but it has been only during the past winter months that in the remote provinces any attempt at improvement has been found. The strongest single force towards this movement, of course, has been the American Red Cross program, 900 miles of road laid out, of which at the present time about 500 miles are complete. Shantung, Shansi, Chihli and Honan all favored by this construction. Red Cross officials report that a considerable number of hsien magistrates are improving the streets of hsien cities, being stimulated thereto no doubt by the example set before them. Up and down the Peking-Hankow line one may see numerous examples of improved roads leading from the railway station to the nearer large cities. The idea of better roads has caught on.

The roads that are being built are of many types, both as to cross section and as to material. On the shorter roads the macadamized surface is quite the rule. The roads in Shantung are merely graded dirt rolled or tamped firm. In Honan, they are macadamized. In Shansi, they are gravelled in some cases, macadamized in others, surfaced with cinders in still other cases, all depending upon the material which is within reasonable distance. This last observation is the key to the road program which necessarily must be followed in China during the coming years.

Any considerable macadamizing of roads in Shantung, for example, is out of the question. Some 500 miles of line are being completed there by the American Red Cross. Consider what it would mean to macadamize this extent of road. The standard width of these highways is 20 feet. If a center crown 14 feet wide were made of macadam 8 inches thick before rolling (which would mean about 6 inches thick after rolling), each lineal foot of highway would contain 9-13 cubic feet and a mile would require 49,280 cubic feet. At 100 pounds per cubic foot, each mile of macadam would amount to roughly 2,500 tons, or five trainloads. Five hundred miles, therefore, would require 2,500 trainloads or at the rate of seven trains per day for a year. In other words, the entire freight service of the Tientsin-Pukow line over the section in Shantung would be required for one year in order to macadamize the Red Cross roads.

Calculate the problem in a slightly different way. The rail haul upon this rock from the nearest source of supply to the railway stations from which it could be distributed would average 150 kilometers, and at the extremely low rate of 4 miles per ton kilometer, the freight would amount to 60 cents per ton, or $1,500 per mile. The mere railroad freight upon this rock would amount to $750,000 or not far short of the entire amount spent by the Red Cross on highway construction. But remember that this rock would then only be at the railroad and it would have to be carted an average distance of 300 li on either side of the railway. Assuming an average rate of 6 cents per ton per li for carting the rock from the railroad to the point where it is needed, and we arrive at the tremendous figure of $45,000 per mile for carting the rock to the point where it is to be put into place.

There is no need of considering the cost of the rock or of putting it in place. Already the figure is over $22,500,000 for transporting the macadam for these 500 miles of highway. Perhaps as the macadamizing progressed, unit costs could be reduced, but only one-fourth of the area of Shantung would then be served by a mere skeleton of trunk lines. Ultimately. this is by no means an impossible task, but under the present financial condition, not only of the Chinese government but of the Chinese people, such an expense is not to be contemplated. The situation in Shantung is typical of the situation in Chihli and of the whole coastal plain of China measuring several hundred miles broad and several more hundreds of miles long. If in this generation there are to be roads in China which will actually connect up provinces and serve the whole territory from Peking to Canton, some other factors must be brought into the question.

Such a factor is the broad tired wheel.

Because of bad roads. the Chinese wheelwright has invented the most efficient instrument on earth for making bad roads still worse. Consider the saw-toothed wheel, which dandies and men of wealth have imported from Shansi for their pleasure carts. Could any refinement of cruelty to the surface of a highway be invented which would go beyond this particular type of wheel? Then, there is the concave-tire wheel which puts a cutting edge on each side of the already narrow wheel by which to assist the cart in climbing out of ruts; but in assisting, it cuts the side of the rut to powder, which at the first wind, blows away and leaves a deeper rut. The deep-lying canyons which constitute many of the Chinese roads may be attributed largely to this cause. The Chinese cart at best, having only two wheels to carry the load and with no springs to lighten the blow upon any obstruction, is severe enough upon any road even if it were not equipped with these instruments of offense against the surface of highways.

So long as the saw-tooth wheel and the concave tire remain as the common forms, not even the best macadam road can stand up for more than a few years at best. However, in Peking and other cities where these wheels are kept off from the macadam portion of the streets and only light vehicles, most of them rubber-tired, are allowed to use the street, the macadam requires digging up and re-rolling every three or four years. This is a tremendous expense.—just how large, the writer does not know. In the Philippines, for example, the maintenance cost of the splendid highways there is 1,400 pesos per year per mile, roughly $1,400 Mexican. Apparently the better the road the higher the cost of upkeep. This cost is practically equal to the cost of producing the highways which have been built by the Red Cross in Shantung this winter. It is estimated that a very satisfactory maintenance of dirt highways can be provided for $300 Mexican per mile per year. The cost of maintaining macadam roads, except in congested and well-to-do centers is out of the question under the present condition of Chinese Government and private finance.

The cost of highway maintenance, undoubtedly can be reduced considerably if the present carts, which are now instruments of destruction, could be turned into instruments of maintenance. This can be done by changing the tires of such carts to the broad type, say 3½ to 4 inches. The effect of such tires is to roll the road hard and smooth. In the first place, with the broad tire the load does not cut deeply into the surface, for the bearing surface will be a total of 8 inches width instead of about 3 inches as at present. The rut cut by any single load is therefore less than half that made by a narrow tired cart. Still more important, however, is the fact that because of the width of the tires, succeeding loads do not follow exactly in the same track, and so tend to roll out any rut which has been cut. With broad tires, the tendency is for each wheel to roll a surface about two feet broad. This, with the animal tracks, turn-outs. etc., in practice results in a rolling of the entire surface. The loose soil of the coastal plain is such that under the smooth iron surface of these tires a hard polished track is made, which so long as the road is dry, stands up like asphalt. The whole problem of maintenance, therefore, is then reduced to the patching of side washes and the building up of the few low spots. The work of a single man one day a week would keep in condition a li of road in most places where the highway has been graded up. At this rate cost of maintainence would be reduced to $45.00 per annum per mile.

It has been urged that while the broad-tire wheel would serve very well upon the new roads which have been graded up, it would not do at all upon the ordinary country roads, For some time the writer was of this view, but greater familiarity with the country roads of China has entirely changed this opinion. The deep ruts in the country roads are cut during the rainy season and again immediately after the frost is out of the ground. If broad tires were put upon these roads, such deep ruts would not be created in the first instance and other broad tires could follow immediately with greater ease than the present narrow tired wheel follows the rut cut by its predecessor. In fact, a large proportion of the present country roads are not the deep canyons which are featured by the pictorial artists. The typical country road is merely a trail taken "cross-lots" by the wayfaring carter in order to avoid these sunken rutted roads, and once the trail is made it is followed until it is abandoned in turn. In this way, tremendous quantities of land are taken up by unnecessary duplication of roads and the farmer's crop is nowhere safe against the inroads of an enterprising carter. On these flat country roads the broad tired cart could be used as easily as anywhere on earth,-in fact, it was exactly this condition which led to its use in America, where until twenty years ago there had been no particular attempt made to improve the character of the country roads. Broad tired wheels anywhere on loose soil (having as it does, a lime content) would produce excellent automobile roads all over the coastal plain, not merely passable but excellent to drive upon during all but the rainy months of the summer.

Those who are interested in the improvement of highway communications in China, therefore, should bend every effort toward the changing of the present Chinese cart wheel tire. Possibly this change is a task greater than that of building thousands of miles of highway. Certainly it would be a greater task if the attempt were made to make the change immediately complete. Mental habits are always more difficult to move than large masses of mere inert matter. Whatever is done must be done in such a way as to take effect gradually and in order to be successful must enlist the self-interest of those who are using the present narrow tired wheels. The provinces which now find themselves in possession of a considerable mileage of new roads are wrestling with this problem. Possibly the solution will come from a combination of the need for funds for the maintenance of the roads with the desire to reduce the amount of funds needed for maintenance. It has been suggested that a small toll be charged each cart

using the improved roads and that this toll be larger for carts with narrow tires than for carts with broad tires. Indeed, it has been proposed that since the broad tire is an instrument of maintenance, a small bonus should be paid to the broad tired cart instead of demanding from it a toll. Another form of the same idea is to commute such tolls into an annual or semi-annual license (and bonus).

However, the tolls which can be collected without causing considerable commotion are so small that it would not cause the immediate changing of any considerable number of narrow tires to broad tires. Hence it has been thought well to announce in advance that such an arrangement would persist, say for three years, after which a higher toll or license would be required of the narrow tired wheels. Thus a carter would quickly figure that during the course of three years he would probably save enough in taxes and bonus to pay for the cost of changing and at the end of the period he would be free from the higher toll which his narrow tires would face. This idea is also elaborated by adding the provision that at the end of five or seven years narrow tired carts would be prohibited absolutely, at which time broad tired carts would begin to pay a maintenance toll or license fee instead of receiving a bonus. A further proposed step in this direction is that the makers of cart wheels be licensed and that for every narrow tired pair of wheels turned out hereafter a tax, say of $5.00, should be imposed whereas broad tired wheels would require only a nominal tax. This tax, of course, would be immediately shifted to the purchaser of the wheels and would establish a differential in favor of the broad tired wheels and bring it about that no more narrow tired wheels would be manufactured.

There is no reason why the broad tired wheel should cost any more than the narrow tired wheel. The hub and spokes remain the same. Only the felloe and tire are altered. The broad tired wheel would take no more wood in the felloe than the present narrow tired wheel. The depth of the wood would merely become the breadth instead. So also with the tire. The present tires are fully 5/8 inch thick, in addition to which there all are the studs which are used to protect the flat of the felloe. These studs, together with the present tire, contain sufficient iron to make a broad tire 3/8 inch thick. However, the present patch-work tire must yield to a shrunk one-piece tire. The present so-called tires are not tires at all but merely a succession of shoes bolted on to the wooden rim of the wheel. The wooden rim (felloe) now takes all of the strain. This is what requires the present wheel to have such a depth of felloe. With this depth reduced, the strain must be passed in to something else. This something else is the continuous band tire, which must be put on hot and then allowed to shrink tight as it cools. This shrinking of the tire on the wooden wheel is the one process which the Chinese wheelwright must learn. It is a simple process. It can be taught in ten minutes by anyone who knows Chinese and knows the process. A little experience is then all that is required from the Chinese wheelwright to make the perfected wheel.

Wherever good roads have been introduced for motors and rickshas, the carts which carry the great mass of the country's goods are religiously tabooed from the use of them. With broad tired wheels not only would the use of the present macadam be permissible but it would be desirable, for it would help to maintain such roads and reduce the amount of re-surfacing which is now required. The rubber-tired vehicle sucks up the dust between the sharp points of the macadam and so flicks it into the air that every passing breeze blows it to one side, thus exposing the sharp corners of the broken rock and producing pits. If broad tired carts were used upon these same roads, these sharp exposed corners would be ground down to a certain extent and the dust would be packed into the depressions. Practically all of this dust has a cementing quality which under pressure from a hard surface tends to form a coating similar to concrete. Thus broad iron tires would improve automobile roads.

The problem of good roads in China, therefore, seems to be less a problem of large mass construction than it is one of inculcating a simple industrial art. In fact, the large mass construction of highways seems to be futile in large part until the broad shrunken-tire wheel has been introduced.

"News" From the Far Eastern Republic

BY ORRIN KEITH

MANY foreigners in China have by long and assiduous study reached the point where they can follow intelligently the daily ramifications of the puzzle of Chinese politics. Few Chinese puzzles, however, can hope to offer the unending series of intricate complications and baffling contradictions that is made up of the daily telegraphic reports concerning the health and development of the infant republic in the North.

The "news" of the Far Eastern Republic published by the press of China comes almost wholly from three sources. These are the old established British agency, *Reuter*, the Japanese, *Kokusai*, and the new *Dalta News Agency*. The dispatches of the latter are usually discounted as "propaganda" because this agency is openly and avowedly the instrument of the government of the Far Eastern Republic. Few Occidentals in the Orient read without a liberal helping of salt the telegrams of *Kokusai* because this agency is universally accepted as the mouthpiece of the Japanese government. The discriminating reader is therefore thrown back upon *Reuter's* wires as the only relaible news from the new Republic.

The one disturbing factor in this reliance is the fact that *Reuter's* dispatches concerning events in any part of Siberia except the Maritime Province are invariably dated from Harbin. The same is true of *Kokusai*. Why should not these agencies, like their younger competitor, *Dalta*, secure their news from the Far Eastern Republic itself? This question is awkward but then, Harbin is far to the north, much nearer to the Siberian Republic than Peking or Tientsin or Shanghai and therefore in a much better position to secure reliable information. So the reader settles back and devours *Reuter*, seasoned by *Kokusai*, with perhaps a bit of *Dalta* for dessert. Could he trace his mental pabulum to the intelligence kitchen where it is cooked up for him the average reader's digestion would be impaired and a new diet would be demanded in many cases.

Harbin is in China but it is a Russian city. It has a Russian population of over 100,000. It is Russian from the names of its streets to the clothes and amusements of its people. Yet it owes no allegiance to any existing Russian government. It gives no loyalty to any particular school of Russian thought. It is neither Czarist nor Bolshevik, Socialist

nor Democratic. It tolerates the nominal assertion of Chinese sovereignty, smiles at the Chinese policemen in its streets, and welcomes all who come.

When the tidal wave of liberalism, with Bolshevism riding on its crest, swept eastward across Siberia, there fled before it crowds of the adherents of the old regime. Many it overtook and overwhelmed, but thousands it drove on under the wings of the Czechs,under the aegis of Japan, finally into the territory of the Chinese Republic. Here at last the refugees found a haven, and Harbin with its many remnants of the old days was the new goal of their hopes.

At Harbin they could rest from their flight before this sinister monster of liberalism. Here they were safe from its voracious maw. Here after a while they took courage to commence plans for its destruction—for the restoration of the glorious old days before it "ruined" Russia. And Harbin today is filled with Russians who detest the new order. Some of them are actively plotting against it; some are simply talking against it; some merely hope against it; while many, many long for the day when they will come into their own again. Among these people who have been waiting for months and even years for time to turn backward in his course, every straw is seized upon, every rumor of success on the part of those working against the new regime, every story, however ridiculous or impossible, of blameable conduct on the part of the leaders of the new nation, is caught up, repeated from mouth to mouth, enlarged upon and embellished until it presents an aspect which satisfies their hungry souls.

This is the atmosphere of Harbin. What are its facilities for real knowledge of what goes on in the Far Eastern Republic? It is much nearer to it than the other large cities of China, but it is still thirty-six hours by rail from the nearest territory of the new republic if we except that controlled by the Japanese around Vladivostok—as far as New York City is from Omaha, Nebraska. And from Chita it is another twenty-four hours by rail, Harbin is as far from the real center of interest in Siberia as New York is from Denver. Without special facilities, there, a man in Harbin is no better off with regard to news from Chita than a man in New York would be in the absence of free telegraphs with regard to news from Denver.

What, if any, special facilities have the three agencies which purport to dispense "news" to the world?

Dalta, besides its agency in Harbin, has representatives at Manchuli, Chita, Stretensk, Blagovestschensk, Habarovsk, Nikolsk, Ussuriski and Vladivostok. Being a government agency, it has the use of the government wireless at Chita and the various telegraph lines in Siberia. All of its agents are newspaper men whose sole business it is to gather and report news of events happening in their territory. All of its agents receive their compensation from the *Dalta News Agency*.

Reuter has an agency at Harbin which is supposed to cover all the surrounding territory including the Far Eastern Republic from Baikal to Balgovestschensk—a neat little territory embracing about 600,000 square miles. It has another agency at Vladivostok which covers the remainder of the Far Eastern Republic, a more modest territory only about half as large. According to the statement of the *Reuter* manager at Harbin, this agency has no agents nor correspondents anywhere in the Far Eastern Republic except at Vladivostok.

Kokusai has much the same equipment as *Reuter* an agency at Harbin, an agency at Vladivostok, and a dearth of agents or correspondents in the Far Eastern Republic. At one time this agency considered sending an agent to Chita but gave up the idea "because all his reports would probably be censored."

With such equipment, what sort of news is disseminated by the three agencies and what are the real sources of the "news" sent out by *Reuter* and *Kokusai?*

Dalta obviously has far and away the best facilities for actually obtaining the news. Its organization is what a news collecting organization should be. It is in position to know the facts. But it is a government agency and therefore a propaganda organ. It is probably safe to say that any news detrimental to the government of the Far Eastern Republic is either suppressed or at least so worded as to hurt as little as possible.

Reuter's agent, having no direct connection with the Far Eastern Republic is at liberty to choose at his own sweet will from among the thousand and one stories which daily make their appearance in Harbin. The nature of these stories has already been discussed. In addition to this he secures information, according to his own statement, from "refugees, letters from people in the Republic to friends in Harbin, and daily by telegraph from a personal friend (not a *Reuter* agent) in Manchuli."

Very plainly the value of *Reuter* "news" emanating from Harbin will depend altogether upon the political bias of the agent there. He cannot send out all the stories that float about the city. No matter how hard he might to judge their value and select only those which were probably true, he would inevitably be predisposed toward those which he thought ought to be true, or hoped were true, or wished might be true. Then again his friends and associates will determine in large measure the kind of stories which will most quickly reach his reportorial ear and these too will carry a weight which impersonal information does not have.

Reuter's agent at Harbin is an ex-captain of the Czar's army. He fled from Petrograd at the time of the Bolshevik coup because, as he put it, "Petrograd at that time was an extremely unhealthy place for czarist officers." By his own statement he is bitterly opposed to the new regime in Russia, including that in Siberia, and hopes with all his heart that it will soon give way to something better. Fine fellow as he is, even if he should try to be fair and just, his judgment is not infallible, and as it is, his prejudices are conclusive. He is as truly an organ of propaganda against Soviet Russia and the Far Eastern Republic as *Dalta* is on their behalf.

As for the "friend at Manchuli—not a *Reuter* agent, but a personal friend," his value as a news collector may be judged from the fact that, as we boarded the train at Harbin, the *Reuter* agent gravely assured us that we could not reach Chita as he had just received word from this "personal friend" that the railway had been cut by Ungern at Karimskaya the day before. On arrival at Manchuli, every effort was made to confirm this rumor but no one was found who had even heard it. Trains are arriving from Chita as usual and there is constant telegraphic communication.

If *Dalta is* propaganda for the Far Eastern Republic and *Reuter* is propaganda against it, perhaps the way to salvation lies through *Kokusai* after all. Admittedly propaganda, it nevertheless represents a well-known and well-understood policy and if we make allowances for that will its news not be nearer the truth than either of the others?

A brief quotation from *Kokusai* dispatch from Vladivostok under date of June 7 will put us on our guard. This bit is as follows:

"The Chita government is sending Kojevnikoff to Vladivostok as its representative in the new Maritime Buffer State., Kojevnikoff has sent a protest to the consular corps against its decision not to allow Semenoff to land."

This is discouraging, for Kojevnikoff is the emissary of the Chita government to the old elected government in Vladivostok and was at the time on his way there to endeavor to restore that government by every means in his power and the last thing in the world he thought of recognizing in any way was a "new Maritime Buffer State." As for his alleged protest in favor of Semenoff, that gentleman and all his ilk are anathema to the entire Chita government, including Mr. Kojevenikoff, and the idea of a protest from them in his favor would be humorous if it were not liable to be confusing.

It is apparently just this confusion that Japan wants. If the general reading public can be kept from getting any clear understanding of affairs in Siberia they may be more easily persuaded to accept such statements of Japanese officials as that of Colonel Isome at Osaka a few weeks ago. He is reported by the Japanese agency as saying: "The Far Eastern government can exist only by the help of the Japanese military power. The population of the Maritime Province are very friendly toward the Japanese troops and do not protest against their presence."

This sort of propaganda is mild, almost desirable compared with some that the Japanese authorities are apparently responsible for. In Harbin *Kokusai* itself seemingly is not suffcient to cope with the situation and so Harbin has a little Japanese news agency all its own. It is called the *Japta News Agency* and furnished the groundwork for many of the "it is reported" stories that go out to the world under better known and supposedly more reliable auspices.

One of the strong points of this agency is to play up the antagonism of the reactionary Russians toward the Jews. Race hatred dies hard and, as Japan known, makes excellent political material. In Harbin there is a liberal Russian paper called the *Novostni Jizni*. Its editor is well-known in the city and his movements can very easily be verified by anyone who takes the trouble to do so. What was his astonishment to read one morning in the Japta telegrams that he had been to Chita distributing supplies to Jews! He at once sent the following letter to the manager of the agency:

Dear Sir:

In yesterday's telegrams of the *Japta News Agency* appeared the following important information: "The Editor of the *Novostni Jizni*, Mr. Kreslin, proceeded to Chita with a large supply of various commodities which were distributed among the Jewish population exclusively." Kindly state that this telegram from "Manchuli," as unfortunately most of the telegrams of the Agency, is a lie fabricated in Harbin by this young but talented news agency. The Editor of the *Novostni Jizni* has not left Harbin once during the whole year. It is only inconceivable why *Japta* should tell lies that can be contradicted on the next day.

Yours, etc.,

The following day, June 13, came this interesting reply.

The Editor *Novostni Jizni*,

Dear Sir:

With reference to your letter of yesterday, I beg to state that the news of the *Japta* are not the fruit of their fancy but obtained from various official channels. The agency is therefore not responsible for their probability. In the present case the news about Mr. Kreslin's journey to Chita was supplied by the local Japanese Military Mission and the agency would ask you to refer to the above source for any explanations. Kindly insert the above in your next issue.

(Signed) Director T. Simono.

Needless to add the letter was quite willingly inserted in the next issue and all due prominence given it. Whether Director T. Simono is looking for another job has not yet been learned, but it may be assumed that his employers did not fully appreciate his forceful way of reproving Mr. Kreslin for questioning the veracity of the agency's report.

Additional point is given to this exchange of letters by the fact that the *Kokusai* agency gets its news concerning the Far Eastern Republic from the Japanese Military Command. That means that *Kokusai* has no news service in this field at all, but simply takes and publishes as "news" what the Japanese Military Command would have the world think is happening in Siberia.

There you have it. *Dalta* is propaganda for the government of the Far Eastern Republic; *Reuter's* is propaganda against it; and *Kokusai* is propaganda for Japan and, because it suits Japan's militarists to keep things in turmoil in the north, none the less propaganda against the Far Eastern Republic. But *Dalta* is the only one that has any possible means of ascertaining what is really happening. It may twist facts, but it at least has the facts to twist. Twisted facts may be undesirable but they are at least preferable when taken with care, to twisted fantasies and warped fiction.

Who's Who in China

Admiral Li Ting-hsin, Minister of Navy

(李鼎新字承梅)

Admiral Li Ting-hsin, new Minister of Navy, was born at Min Hou, Fukien in 1861. He studied at the Navigation College at Ma Kiang, where he subsequently graduated. Then he was sent by the government to England. After a stay of six years he graduated from the Greenwich Naval College.

After his graduation he joined the British fleet cruising to North America and Western India, and received much training during the voyage. Upon his return to China he was appointed lieutenant and assigned to the cruiser Ting Yuan for service. Later he was promoted to the rank of captain, and transferred to the cruiser Hai Chiu.

Subsequently he was made Assistant Commander of the Shanhaikwan Patrol Squadron. In the last days of the Manchu regime he was chief of the martial law department of the Ministry of Navy. After the establishment of the Republic his promotion became more rapid. He was appointed councillor of the Ministry of Navy on September 5, 1912. Two months later he became Chief of Naval General Staff.

On August 20, 1913, he wes created Admiral (brevet), and was appointed Commander-in-Chief of the Navy. During the second revolution, he was in charge of the defence of the Kiangnan Arsenal against the attack of the revolutionary force headed by Chen Chi-mei.

In the revolution of 1915, he was deprived of the rank but retained office on account of the loss of the cruiser Chao Ho to the anti-government force. After the death of the late President Yuan Shih-kai in the summer of 1916 he became Commander-in-chief of the First fleet. On December of 1917 he was relieved of active service and appointed Yao Wei Chiang Chun.

He became concurrently adviser to the President and the Cabinet. Since his retirement he has not been active in national affairs. On May 14, 1921, he was appointed Minister of Navy in succession to Admiral Sah Chen-ping.

Economic and Financial Conditions During June, 1921

Compiled by The Chinese-American Bank of Commerce, Shanghai Branch

Trade:

It was largely hopes for the near future, and not actual business, which characterized the doings locally during the month of June. A good deal of optimism is displayed here regarding prospects of trade, and while not wishing to throw doubts on the justification of such hopes, we feel that there are no signs discernible which warrant a rosy view of the situation. An improvement of China's trade is largely depending on a recuperation of the whole world from the present severe commercial stagnation. It stands the reason that China cannot lead in this direction but is destined to follow suit.

Therefore we cannot believe in a lasting improvement of trade until we have become convinced that the rest of the world has found its equilibrium.

During the month under review serious disturbances have broken out in Ichang and Wuchang on the Yangtze River. Soldiers have looted and burned the most important districts in those towns doing enormous damage not only to local trade, but to the commerce of the entire country, as no one dares to do business with the provinces situated on the upper and middle Yangtze.

Regarding *cotton piece goods* there is really not much improvement to report. The situation is this: Goods imported (or ordered) until a year ago have been bought when cotton was at top prices, and as exchange had in most cases not been fixed, there appears to be no hope of disposing of those goods unless at a loss aggregating 60 percent. This is the figure which suggests itself when comparing market prices with cost. Experts are tolerably certain that the situation cannot improve and that it is best to sell and face the loss. This already in view of the fact that cotton goods are bought according to seasons and that, if a certain class of piece goods is not sold at a certain season, there will be hardly much chance to dispose of it until the next season approaches. Apart from this fact storage charges, insurance and interest are mounting up. While there are only scanty hopes that the situation just described will materially improve, it has been ascertained that cotton piece goods, newly imported, can be sold in China with a fair margin of profit. Such imports cannot be large for the present, because the local banks will not agree to finance new shipments of cotton goods, as long as the old stocks are not liquidated.

Metals:

The market in Shanghai and outports continues extremely dull, and apart from some business in bamboo, steel and iron nails there is nothing to report. This is somewhat remarkable if it is considered that, as a consequence of the English coal strike, the South Wales iron foundries have stopped working and various other English steel centers have had to follow suit. It will take some time before the furnaces are again in full working order; for the present the production of pig iron in England had to be stopped entirely. Advices from the American metal district report the market as lifeless.

These points may prevent iron and steel from falling further, but they have not enabled holders to increase prices.

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China Produce :

Last month we had occasion to report a serious shortage in the silk crop in the provinces surrounding Shanghai. Now there is news confirming a much reduced crop of silk cocoons in Szechwan and Hunan provinces. Therefore, prices at Shanghai for silk remain quite firm. Dry Wusieh cocoons were quoted at the end of June at $175 per picul

During June Shanghai and the district had excessive rains, so that the cotton crop, which came on well, has suffered somewhat. On account of the uncertainty of the crop prospects very little business was transacted during the second half of the month.

Hides are more in demand, though prices continue very low. Shipments during the season July-May 1921 were 112, 500 piculs against the season July-May 1920 of 194, 800 piculs.

Wheat is not abundant, as the crop this year is below the average. We may, therefore, expect higher rates for Chinese flour especially if the demand from abroad continues.

Cotton yarn continues brisker than ever. Mills are well supplied with orders for forward delivery at remunerative prices. Stocks in the interior are reported to be very low, so that the outlook for the future continues to be very good. Mills are placing fair orders for raw cotton in the States and in India.

Silver and Exchange:

The month of June brought a steady rise, in the price of silver, which fact must be ascribed to speculative and sentimental causes. By the latter we mean the hopes connected with a beneficial monsoon, which induced the Indian Bazaars to enter the market as purchasers for fair quantities. The monsoon burst in the middle of the month, and initial reports pointed to very satisfactory results. However, it is too early yet to judge.

It is beyond doubt that very large stocks of silver are held in Europe as well as in the States, but that the owners are powerful enough to hold on for better rates.

Some silver has been bought for shipment to China, where there is certainly a shortage of ready cash.

The lowest silver quotation during June was 3/3⅛ on the 1st of the month, the highest 3/5¾ on the 21st inst.

Rates moved in sympathy with silver and were officially :

£	3-2	lowest and	3-5½	highest
G$	61	„ „	65	„
Frs.	7.25	„ „	8.10	„
Marks	39	„ „	49	„
Yen	76¾	„ „	73½	„

Business was done considerably above these rates especially for ready delivery, as banks were very anxious to obtain cash.

Average Rates:

for June	for 2nd quarter 1921	for 1st half 1921
G$	63,17	63.11	63.91
£	3/4	3/2-15/16	3/3-11/16
Frs.	7.83	8.10	8.60
Yen	74 83	75.62	75.27

Cross Rates:

£-G$ showed a heavy decline during the month namely from 391¾ on June 2nd to 372½ on June 30 The coal strike and general industrial unrest were responsible for the heavy fall.

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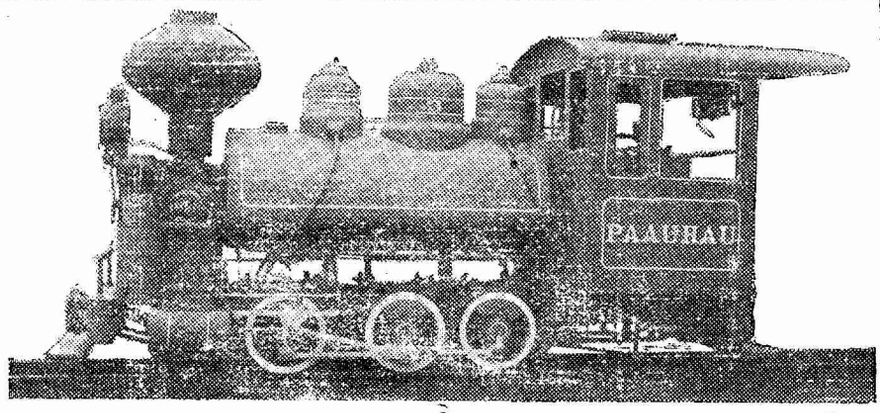

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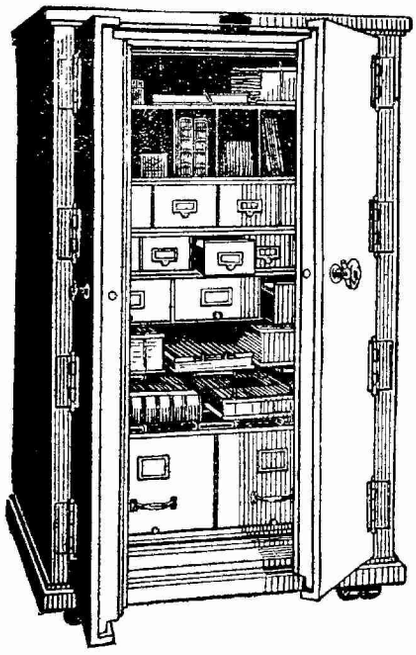

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As a consequence of the economic stagnation there was a huge falling off in the government's revenue for the three months ending June 30th, viz, £204,000,000 as compared with £315,000,000 during the corresponding period of last year.

£-Frs. were fairly steady, the highest rate being 47.63, the lowest 46.08.

£-Marks rose (against Germany) from 244½ on June 1st to 282 on June 30th.

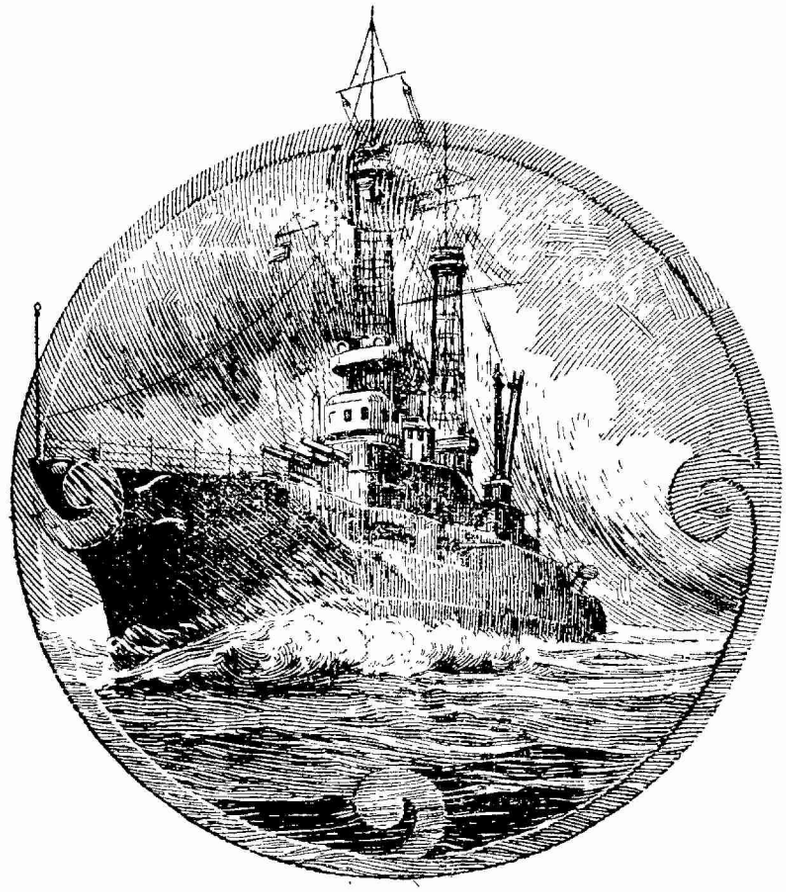
The Money Market:

Although trade was very dull during June, and particularly so exports, money began to get tight during the second half of June. The amounts which are given as cash lying at Shanghai (about Taels 32 millions and Dollars 26 millions) are certainly ample for trade requirements.

However, there was a remarkable movement to promote new Trust Companies, Stock and Produce Exchanges and Banks, all of which naturally absorbed large amounts of cash, thus splitting up available funds.

During the month of June various Trust Companies have been inaugurated, and also separate Exchanges for all sorts of produce.

The shares of most of these new ventures are quoted at very high premiums, and there is a veritable scramble to get them, irrespective of the price and the fact that in many instances business has not yet commenced. This fever is spreading to the outports, and it may be considered as tolerably certain that there will be disillusionment sooner or later.



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The U. S. S. New Mexico is the first of thirteen new dreadnaughts and six battle cruisers, all to be electrically driven. This program forecasts a new epoch in ship building — the coming of faster, safer and more economical merchant vessels.

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11-55

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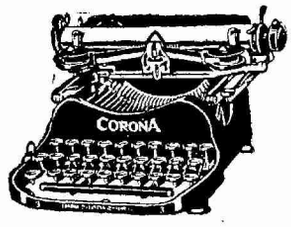

It means continuous, dependable typewriting service for years.

The CORONA can be folded up into its handy carrying case and taken anywhere—weighs but six pounds.

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Write for illustrated catalog and price list.

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New Banks:

During the month two new Chinese Banks have been inaugurated at Shanghai, namely the South Seas Banks, with a subscribed capital of $10,000,000 and the Cotton Trust Bank with a subscribed capital of $5,000,000, of which one quarter has been paid up.

As was expected the Chinese government, shortly after having consolidated the First Year National loan, proceeded in a similar manner with regard to the Eighth Year 7 percent National Loan.

Under date of 6th June the Bureau of National Loans informed the holders of Eighth Year Bonds that "in pursuance of Measures for the Consolidation of internal loans and establishment of a definite loan service sinking fund drawn up by the Ministery of Finance and sanctioned by Presidental Mandate dated March 3, 1921, the Bureau of National Loans has arranged that beginning from June 20, 1921, the old Eighth Year Bonds may be exchanged for new Consolidated 7 percent. Bonds at the Bureau of National Loans, Peking, or at the offices of the Bank of China and the Bank of Communications in the provinces."

The regulations governing the exchanged are similar to those applied to the exchange of the First Year Bonds and stipulate interalia:

Every $100 7 percent Eighth Year Bonds face value will exchange for $40 of new 7 percent Consolidated Bonds.

The new 7 percent Consolidated Bonds are issued in 5 denominations, viz., $1,000, $100, $10 $5, and $1.

Exchange of bonds will begin on June 20, and will last until of December 31, 1921, after which date no exchange will be made.

Shanghai, June 30, 1921.

Chinese National (Internal) Loans

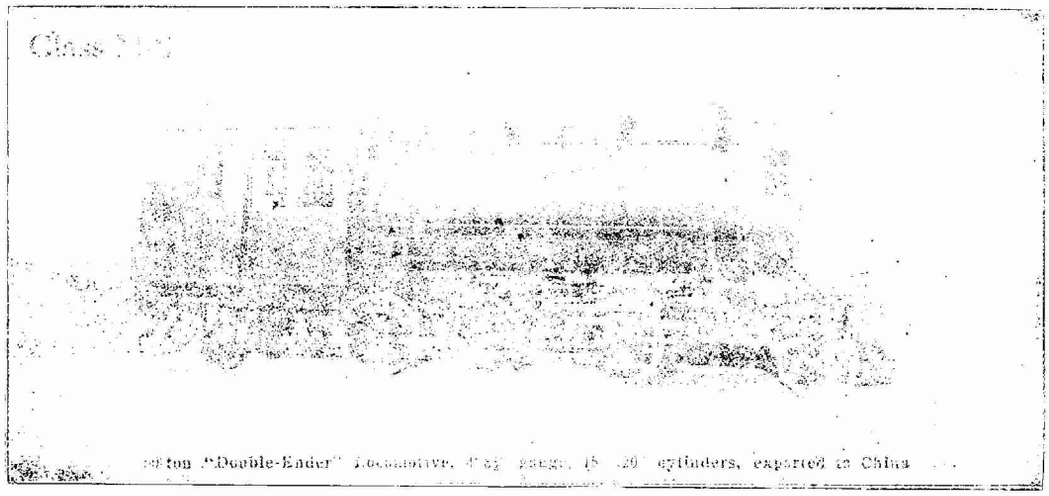
Full particulars are supplied on the enclosed list which requires little comment, except on the following points:

First Year National Loan: The original idea of this issue was the indemnification of losses sustained by the populace at Nanking during revolution. The total amount handed out for this purpose was $1,800,000.00 at par. Another portion was used for the purchase of opium stocks in the hands of foreign merchants; altogether $12,700,000.00 were handed out for this purpose at a rate mutually agreed upon. The remainder of the bonds were sold by the government as opportunity offered at rates varying between 30 and 40 percent and of their face value. Or, to be more exact, a great portion of the paper was handed to military governors in satisfaction of their claims on the Central government. When the Peking government was hard pressed for funds, additional quantities of bonds were thrown on the market at prices up to 85 percent discount on the face amount.

Although the government had only received say 25 percent, it was called upon to pay 6 percent interest on the face amount of $100.00, which means an annual outlay of $8,300,000.00.

The security for this First National Loan was the government's revenue and assets, i.e., no specified guarantees. The term of repayment was nominally within 30 years. Under these conditions the bonds

VULCAN INDUSTRIAL & MINING LOCOMOTIVES



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wtere declining at one time to 14 percent and formed the object of much speculation. The people who bought for investment (roughly 33 percent) certainly knew that they were taking a sporting chance.

It is only natural that under these circumstances the Chinese government,—after consultation with the Chinese Bankers Association—decided to convert its floating debt into a consolidated issue, by requesting the public to hand in all its bonds of first year issue and receive in exchange new bonds for 40 percent of the face value. Thus the government will save 60 percent of the total issue, viz. roughly $60,000,000.00 in capital and $4,380,000.00 in annual interest. The Nanking and the opium bonds are to remain at their original status.

In theory the action of the government in forcibly converting the original issue into new bonds of only 40 percent face value is certainly arbitrary and can hardly be defended.

In practice there is the holding public that has bought at averagely 25 percent a long term loan with a very uncertain future. Now the government comes forward and offers to consolidate the old issue at 40 percent, provide good security and offer the prospect of repayment after ten years. Against these advantage there is the disadvantage relating to a reduced income of only $2.40 a year on each new bond against $6.00 on each old $ 100 bond.

In connection with the exchange of old against new bonds the Bureau of National Loans has issued the following advertisement, which appeared only on June 2nd, 1921 in the foreign papers:

First Year 6 percent National Loan (1921)

Issue of New Consolidated Bonds in Exchange for Old Bonds.

Holders of bonds of the Chinese government Six Per Cent. National Loan of the First Year of the Republic (1912, are hereby notified that, in pursuance of Measures for the Consolidation of Internal Loan and establishment of definite loan service sinking fund drawn up by the Ministry of Finance and sanctioned by Presidential Mandate dated March 3rd, 1921, the Bureau of National Loans has arranged that beginning from May 2nd, 1921, the old First Year Bonds may be exchanged for new Consolidated 6 percent. Bonds at the Bureau of National Loans, Peking, or the Offices of the Bank of China Bank of Communications in the provinces. The exchange for new Consolidated Bonds shall be made in accordance with the Regulations appended below.

Bureau of National Loans.

Peking, March 1, 1921.

Regulations Governing the Exchange of Old Bonds of the First Year 6 percent National Loan for New 6 percent Consolidated Bonds

1. Holders of First Year 6 percent Bonds whose numbers were published in the Government Gazette of April 19th, 1921, are hereby requested to exchange for New 6 percent Consolidated Bonds, at the Bureau of National Loans, Peking, in order to present same for payment of interest or repayment of principal. Holders in distant places from Peking may

They SATISFY!

Any Time—any Place—Chesterfields.

Over the coffee cups or on the football field Chesterfields "satisfy" during that moment of relaxation.

They satisfy because Chesterfields are made of a blend of the very finest Turkish tobaccos grown in Turkey, together with selections of the choicest American leaf.

The formula for this blend is the manufacturers secret. It cannot be copied or even closely imitated.

Liggett & Myers Tobacco Co.

Chesterfield

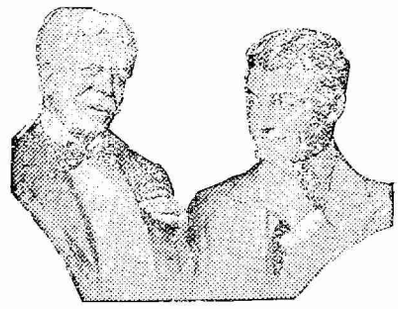
CIGARETTES

—of Turkish and American tobaccos—blended

If your dealer cannot supply you send $2.00 to Liggett & Myers Tobacco Co., No. 5 Siking Road, Shanghai, and a carton of 200 Chesterfields will be sent you direct—prepaid.

20 for 20 cents — and Vacuum Tins of 50

17-301



Shall it be a Brown, a Blue or a Grey PALM BEACH Suit?

You may choose your PALM BEACH Suit as you would your "Worsted". It comes in many colors and many patterns—in stripes, checks and solids.

For sticky days in the stuffy office—for Sunny days by the Lake or Sea—in fact, for ALL occasions PALM BEACH is the ideal suiting.

Smart, easy-washing, lasting, inexpensive, shapely and beautiful.

Your Clothier or Tailor can furnish you with a suit of the genuine cloth—bearing the PALM BEACH label. Or, in buying by the yard, look for the label on the selvage.

Remember—if it hasn't the PALM BEACH label—it isn't PALM BEACH.

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When you see this Label in a PALM BEACH SUIT—you'll know it is made of the Genuine Cloth.

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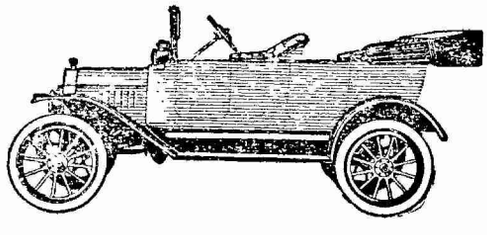

17-302

exchange for new bonds through the Bank of China or Bank of Communications at their respective places.

2. Every $100 6 percent First Year Bonds face value will exchange for $40 of New 6 percent Consolidated Bonds.

3. Before sending the First Year 6 percent Bonds to the Bureau of National Loan in exchange for the new bonds, holders are required to affix their seals or sign their names on the face of every bond at the left side of the Seal of the Ministry of Finance together with 46 attached coupons from No. 15 to No. 60 inclusive. The Bureau shall first have these bonds registered and a receipt issued to the holder who shall receive the New 6 percent Consolidated Bonds after 15 days therefrom against this receipt. Holders, who make the exchange of bonds in places other than Peking through the Bank of China or the Bank of Communications, shall receive their New 6 percent Consolidated Bonds after 3 weeks from the date of delivery of the old bonds and they shall receive the New Consolidated Bonds from the same agency against the original receipt.

4. In case any of the undue coupons are missing the bondholder must make good at the rate of 40 percent of the face value (e. g. If one coupon of a $100 bond is missing, $1.20 will be paid by the holder). At the same time the agency shall issue a special receipt for the amount of missing coupon or coupons, so on discovery of same the holder may get the interest refunded from the same agency against the original receipt.

5. When the Bank of China and the Bank of Communications at various places shall have received the First Year 6 percent bonds, and numbers of which have been duly checked, they shall report at the end of each week for the amount of each denomination of the New 6 percent Consolidated bonds required to their respective head office, who shall apply to the Bureau of National Loans for the issue of New 6 percent Bonds. At the same time the agencies shall sort and bind the cancelled old bonds according to their denominations into 50 sheets each. The word "Cancelled" must be stamped on the side of the Chinese version of every bond and coupon, when they are properly arranged and bound up, to be forwarded to the Bureau of National Loans for final checking through their respective head offices.

6. The New 6 percent Consolidated bonds are of five denominations, viz: $10,000, $100. $10 and $1. Holders of old bonds will exchange for new Bonds of maximum denominations, for example, if a holder is to receive $25,864, worth of new bonds, he will get two $10,000 bonds, five $1,000 bonds, eight $100 bonds, six $10 bonds, and four $1 bonds, etc.

7. Exchange for new bonds will begin from May 2, 1821, to November 20, 1921, after which date no exchange will be made.

It will be observed that no mention is made regarding the portion of the public that proves obstinate and declines to exchange its bonds. The government cannot leagally force the exchange, but it can without much ado omit to meet the interest coupons on due date.

From an interview with a party speaking with authority it has been ascertained that the Loan Department of the Ministery of Finance expects all the

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holders of First Year bonds to exchange these without delay against the new bonds. Although it has not been published in the papers our authority states that the new bonds coupons contain payable 01 June 1st, 1920. Furthermore, the new bonds will share in the benefits of aunual drawings, the first of which, to the extent of 5 percent of the total, is to take place within the next five months. The remainder of the issue is to be redeemed entirely by annual drawings within ten years.

Regarding the eighth year National Loan it can only be said that it is issued under conditions very similiar to the one just described.

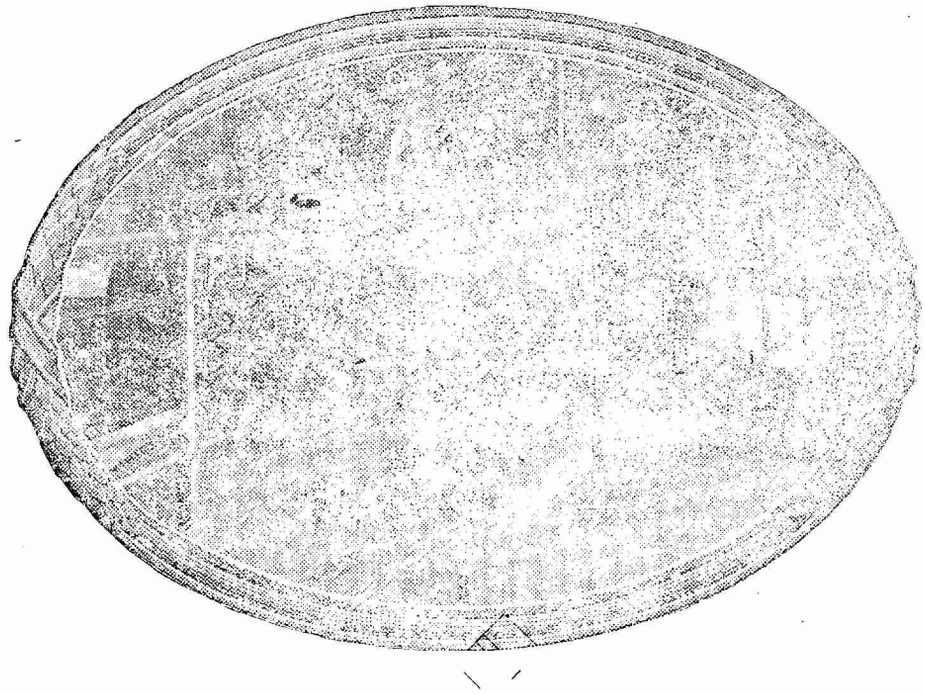
The loans of the third, fourth, fifth are well secured and considered as safe and desirable investments. The railway car loan and the Mint loan bonds are in the coffers of the Chinese issuing banks and not in circulation amongst the public. These loans are considered very sound and safe.

List of Chinese Internal Loans Outstanding on June 30, 1921

	Issued in	Total Amount Authorized	Total Amount issued	Outstanding at present	Rate %	Interest Payable	Secured by	Bonds Issued	Repayment	Market Value
1st year Natn'l Loan	1912	$200,000,000	$121,680,570	$121,680,570	6%	1st June 1st Dec.	Government Revenues	$1,000 100 50, 10	Within 30 years from 1917 by drawings	$23.25
Military Loan.....	1912	$100,000,000	7,367,640	3,367,640	8%	2nd Feb. 2nd Aug.	Land tax etc.	$1,000 100 10 5	1918 but extended	82.00
Nanking.....						30th June	Revenue of	$10000 10000	Between 1916 &	
3rd year Natn'l Loan....	1914	$ 24,000,000	24,000,000	16,670,065	6%	31st Dec.	Kinhan-Rly	100 50 10 5	1927 by annual drawings of 1/9	80.65
4th year Natn'l Loan....	1915	$ 24,000,000	24,000,000	7,815,910	6%	10th April 10th Oct.	Revenue of Native Customs & Likin in Shansi	$1,000 10,000 100 10 5	Between 1919 & 1924 by annual drawings	86.00
5th year Natn'l Loan....	1916	$ 20,000,000	16,770,515	15,520,000	6%	31st Mar. 30th Sept.	Wine and Tobacco taxes	$10,000 1000 100 10 5 1	Between 1919 & 1922	49.50
7th year Natn'l Loan....	1919	$ 45,000,000	45,000,000	45,000,000	6%	30th June 31st Dec.	Native Customs	$10000 1000 100 10	Between 1929 & 1939	42.50
7th Short Term Loan....	1919	$ 48,000,000	48,000,000	14,400,000	6%	30th June 31st Dec.	Deferred Boxer Indemnity	$10000 1000 100 10 5	Drawing 5 years semi-annually	96.00
8th year Natn'l Loan....	1919	56,000,000	19,692,315	19,692,315	7%	28th Feb. 31st Aug.	Government Revenues	$10000 1000 100 10 5	Between 1921 & 1930 by drawings	25.00
9th year Natn'l Loan....	1920	$ 60,000,000	60,000,000	60,000,000	6%	31st Mar. 30th Sept.	Customs Surplus	$10000 1000 100 10 5	Between 1921 & 1926 by semi-annual drawings	75.00

RAINBOW

FRICTION SURFACE BELTING



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To recommend the proper width and ply for each of your drives—in other words, the installation of "The Right Belting in the Right Place"—one of our belting men will be glad to inspect the conditions in your mill. Every representative of the United States Rubber Company aims to sell the *right* rubber goods irrespective of initial cost, thereby giving the operator satisfactory service.

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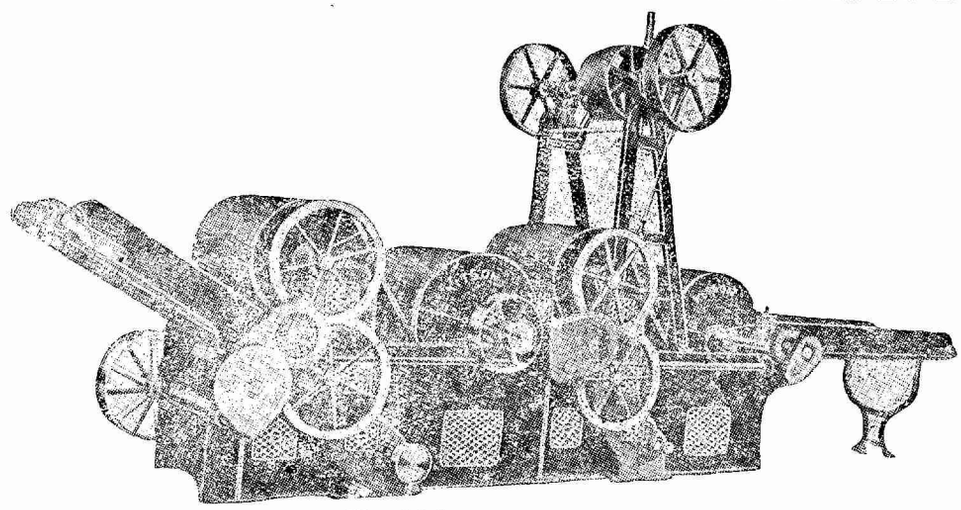
COTTON MILL MACHINERY



Hard-Waste Machine

manufactured by

Saco-Lowell Shops

Andersen, Meyer & Co., Ltd.

Agents in China

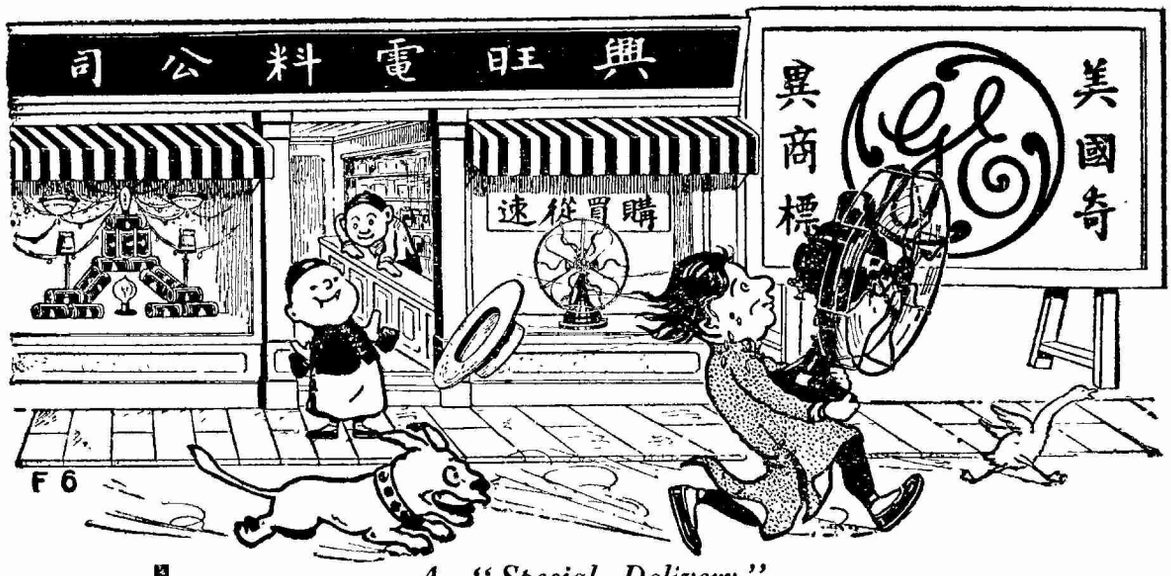
Mint Loan.....	1921	2,500,000	2,500,000	2,500,000	9%	Annually	Surplus Customs Salt & Tobacco	$1,000	By monthly instalment of $70,000 beginning immediately lasting 3 years	Not on the Market
Railway Cars Loan.....	1921	6,000,000	6,000,000	6,000,000	8%	30th June 31st Dec.	Railway Income	$10000 100	1000 Within 3 years	De

N. B. The total of the 1st year loan would, after consolidation, be reduced to the amount of roughly $43,000,000.00
The total of the 8th year loan would, after consolidation, be reduced to the amount of roughly $ 8,000,000.00
June 30th, 1921.

High Class Paper from Bamboo

The propagation of bamboo is relatively simple, and its cultivation for paper pulp offers a number of advantages. In the development of the industry the Far East may gain substantially. The plant flourishes extensively in China, Japan and Taiwan. From fifty to ninety species are indigenous to French Indo-China, and quanities are found in the Philippine Islands, Malays, and the Dutch East Indies. Bamboo is used to some extent in numerous small Chinese factories for paper-making. In Indo-China three newspaperes are printed on paper manufactured by the factory at Dapcan, which before 1918 manufactured only wrapping paper, but now produces a variety of paper goods. A botanical investigation of the bamboos used in Tonkin is being conducted. The conversion of bamboo into paper pulp consists of crushing the stems and drawing the fibers apart by rollers, cutting into suitable lengths, boiling in water to remove carbohydrates, and then digestion by means of chemicals. There are several processes of digestion. The calcium bisulphite process necessitates excessive bleaching, when employed for bamboo.

In using sodium bisulphite the pulp can readily be bleached a full white. The use of a solution of sodium sulphate and caustic soda constitutes another of these processes, giving a slightly larger yield of pulp than the soda process, which consists of an aqueous solution of caustic soda. The pulp obtained by the sodium sulphate and caustic soda process is of a paler color, and the cost of chemicals is less and therefore considered the best for bamboo. The lime process by which bamboo is digested with lime and water though economical, yields a brown pulp and bleaching is difficult. The yield of pulp from forest bamboo varies from 40 to 45 percent of the weight of the airdried stems, including nodes and internodes. About 14 tons of dried stems per acre are obtainable on a rough average estimate, and from 7,000 acres of thickly covered ground to 14,000 acres of ground sparsely covered with bamboo would be sufficient to supply a factory producing 300 tons of pulp a week, according to the Department of Commerce, Washington.



A "Special Delivery"

The Secrets of Chang Ching Chow

The Young Apprentice

An Interview by a Chinese Reporter

Old Lee, the proprietor of a certain Chinese shop on Somewhere Road, sent young Chang for a G-E Fan. Chang was somewhat skeptical at first, but was soon more than surprised at what the G-E Fan could do—for HIMSELF.

Here's the explanation.

Secret 1. When a perspiring customer is trying to enjoy a breeze, Shut off the G-E Fan at once. By vexing the customer away, Chang could have an afternoon nap.

Secret 2. Never open the G-E Fan on sultry days. When other salesmen resign on account of the unbearable heat, Chang might get a promotion.

Secret 3. Keep the G-E Fan shut in front of Old Man Lee. If he should die from the heat, Chang would have a chance to marry his daughter and inherit his business.

Secret 4. His first duty after tiffin is to see that the G-E Fan is not running. Should the old man become too hot to run the store, he would be excused and go to the "Worlds" for a good time.

Secret 5. When pay day comes, he would guard the G-E Fan with unusual watchfulness. Should the old man become dizzy from the heat, he might give Chang a $10 bill and mistake it for a five. Chang could then amuse himself several evenings in the———theater.

Look for this mark on the center of every fan

It identifies the high quality of G-E Products

G-E Fans are sold by

Electrical Dealers Everywhere

Andersen, Meyer & Co., Ltd.

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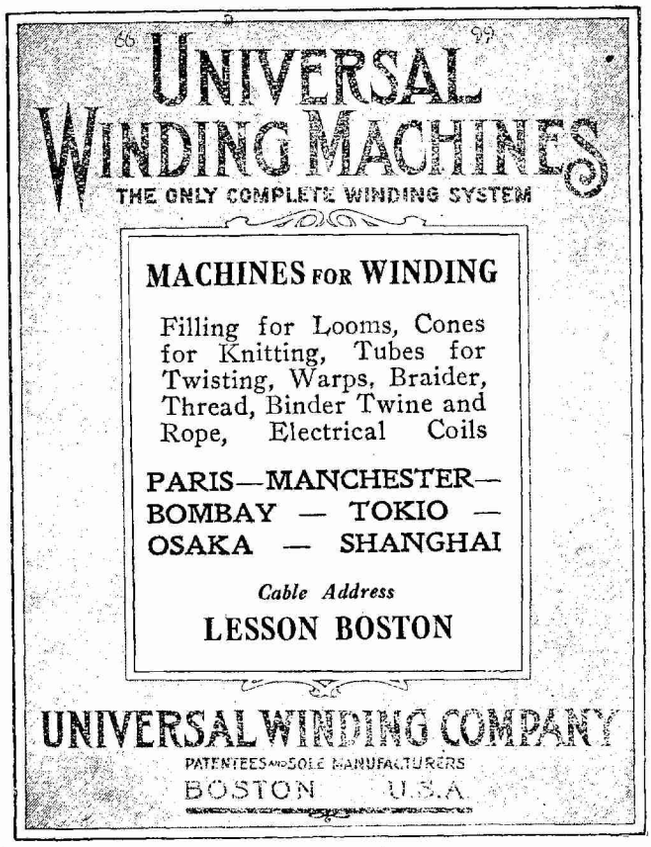

China-Philippines Trade 中興銀行

The policy of rapid extension of its oriental trade, upon which America has so auspiciously and vigorously entered, will undoubtedly stimulate Chinese trade with the Philippine Islands; the nearby American outpost.

If you are interested in this market, the facilities of this modern commercial institution are tendered with confidence that you will find the service highly satisfactory.

Trade inquiries welcome

China Banking Corporation

Manila, P. I.

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Authorized, P.10,000,000
Subscribed, 6,000,000
Fully paid, 4,000,000

Dee C. Chuan, President
Albino Sy Cip, V. Pres.

J. W. McFerran, Manager
Merwin Webster, Cashier and Sec'y.

17-308

Men and Events

Clifford Hewitt and F. M. Sah of the Shanghai Mint Commission left Shanghai for Peking, Friday, July 9, 1921. They will remain in Peking for several weeks.

C. F. Remer of St. John's University, Shanghai, departed on Thursday July 7, for Yangchow where he will deliver the commencement address of the school for girls at this place. Mrs. Remer accompanied him.

On June 30, the marriage took place of Ralph Kyner Hykes and Miss Sarah Helen Riffell. Dr. Luther Freeman of the Community Church officiated. A reception was held following the ceremony at the home of the groom on Siccawei Road, Shanghai.

The wedding took place of Charles Kline, former American Vice-consul at Shanghai and now with the American Trading Company, and Miss Esther Irene Downey, formerly a member of the faculty of the American School at Tokio, at the United States Consulate-General last week. Mr. and Mrs. Kline departed for Hangchow on a brief wedding trip.

On the occasion of American Independence Day the Shanghai Students' Federation of China, through Tsiang Po-li and Ho Shih-chan, presented to Edwin S. Cunningham, U. S. Consul-General, two letters of congratulation. In the letters the hope that freedom will be established and peace and friendly relations between the two countries will be continued was expressed.

The engagement was announced on the afternoon of Tuesday, July 5, of John Bradford Crow, agent for the Pacific Mail Steamship Company, Shanghai, and Miss Gladys Elizabeth, daughter of Mr. and Mrs. P. E. Mann at a tea given at the home of Miss Mann, 433 Avenue Joffre, Shanghai. Mr. Crow's home is at Berkeley, California and he is a graduate of California University. Miss Mann is from Passaic, New Jersey, and came to Shanghai a year ago in company with her father, P. E. Mann of the J. H. and C. K. Eagle Export Company, Mrs. Mann and sister, Dorothy.

The Spanish Colony in Shanghai is to celebrate its national fete day, (Santiago Day), on July 25. The program includes the following events: A solemn High Mass in the morning. In the afternoon a gathering of all members of the colony at a luncheon to which all the ladies will wear their classic mantillas and shawls and there will be special Spanish songs and music with an address by the Spanish Consul. In the evening it has been arranged to give a performance at one of the local theaters where films will be shown of typical Spanish scenes, dances, and bull-fights. All the proceeds derived from the entertainment will be given to the Chinese blind and lepers, to be distributed by the ladies committees.

At the various events in celebration of the Fourth of July on Monday, a large number of members from the American community were present as well as members of the other nationalities. The reception held at the Consulate-General in the morning at the residence of Consul-General Cunningham was well attended and the chief feature of the function was the large number of foreigng uests who were present. Later an at home was held at the American Club for members and their friends, and the annual baseball game was played at 3 o'clock at the Race Course, between Shanghai and the team from the *U. S. S. Huron* for the "Perpetual

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S.S. ROBERT DOLLAR	26,000	tons displacement
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Challenge Cup" which for the third time has gone to the Shanghai team. Following the baseball game a reception and The' Dansant was held at the Columbia Country Club from 5 to 7 o'clock. The *U. S. S. Huron* held open house for visitors and a special invitation was issued to children who attended in large groups.

According to information given out by Miss Alice Lee of Tientsin during her recent visit to New York, the position of secretary to the President of China is not an easy one. Miss Lee had the following to say on this subject: All public documents are done by hand in Chinese characters. To attempt to make a typewriter that would record the Chinese language would probably land the inventor in an insane asylum. It would be so intricate. And shorthand is out of the question. A Chinese dignitary chooses his secretary for the beauty of his or her handwriting, and alas, in China the women are not as emancipated as in this country, and the secretarial jobs are mostly held by men. I ran away from home to take my secretarial job. In Tientsin I wrote for a newspaper, and there is one splendid rule which applies to the Chinese press—they let everyone sign their articles. Soon my work attracted the attention of public officials, and it was through them I became secretary to the President of China. The Chinese are a very accurate and painstaking people, and consequently the exactness with which notes are taken and transcribed is the important thing for a successful secretary in my country. Speed tests and short cuts play no part in the life of the Chinese stenographer."

News from North China

M. Milton has been transferred from the British Legation at Peking to Canton, and R. A. Hall to Shanghai as Vice-Consuls.

C. Nishino, Chief of the Audit Bureau at Tokyo, has arrived at Peking to study financial conditions. He was entertained to dinner on June 26, by Mr. Yoshida, Japanese Charge d'Affaires.

The inauguration ceremony of the Peking-Tsinanfu Air Mail Service was held at the Nanyuan Aerodrome on July 1, and General Yin Chang, former Chief of General Staff, attended the ceremony on behalf of both the government and the President.

By a Mandate issued in the early part of this week, President Hsu Shih-chang appointed Dr. Wang Chung-hui, Chief Justice of the Supreme Court, a member of the Chinese Delegation to the League of Nations and instructed him to remain in Europe for the time being.

Julean Arnold, American Commercial Attache, has returned to Peking from a trip up the Yangtse River to Chungking. Leaving the Chinese capital on June 9, Mr. Arnold has been visiting the Yangtse ports in the interest of American trade development in that region.

Major Walter S. Drysdale, Military Attache to the American Legation at Peking, has returned to Peking this week and after an absence of a fortnight. Major Drysdale accompanied Charles R. Crane, former American Minister, and his party to Mukden, Harbin and Manchuli.

The government has decided to award decorations to Mr. and Mrs. Charles R. Crane for their work during the famine in North China. In a communication to President Hsu Shih-chang the Ministry of the Interior

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set forth the work of Mr. and Mrs. Crane on behalf of the famine sufferers.

Chang Hu, who was once mentioned as candidate for the portfolio of finance, has started a Chinese-French bank called Hua Pei Yin Hong or the Bank of North China in Peking with a capital of one million dollars which have been subscribed jointly by Chinese and French capitalists. The bank opened to business on July 1.

Tang Tsai-chang, Councillor of the Ministry of Foreign Affairs, has resigned the office of assistant director of the Peking Municipal Administration, and Chi Yao-shan, Minister of the Interior, has recommended Ma Teh-yung for appointment to the vacant post. Mr. Tang has been appointed director of the Peking Tramways Company.

Many representatives of various Chinese treaty ports have arrived in Peking and submitted to the government petitions urging that steps be taken to abrogate the consular jurisdiction in China, which they said has been injurious to Chinese national interests, and promising popular support whatever action the government may take in connection with the matter.

A Mandate was issued on June 25, appointing Admiral Liu Kuang-hsiung, Pan Ling-kao and Kao Ting-chu to investigate poppy growing in Fukien, Kansu and Shensi respectively. The Ministry of the Interior has requested the President to give orders that the Commissioners of Foreign Affairs in these three provinces be ordered to assist the opium commissioners in every way.

Cheng Chi-sung, one of the assistant directors of the Customs Administration, who was chairman of the Shanghai Tariff Revision Committee in 1919, is dangerously ill. A week ago he suffered a fracture of the skull in a motor car accident. The foreign doctor consulted recommended an operation to remove a portion of the damaged skull, but Mr. Cheng's family would not allow it. Mr. Cheng is lying unconscious at his house.

Invitations were issued on June 29, by the Tientsin Japanese civilian baseball club to the opening of their new grounds on the bund of the Weitzu between the French and Japanese Concessions, which is scheduled for Sunday next. The Tientsin (foreign) Civilian Baseball Club has accepted the invitation to attend the opening and will stay for one game of the proposed "double-header," afterwards proceeding to the Recreation Ground, there to participate in a diamond controversy of its own.

Eleven representatives of the Hupei residents in Peking were received by the Prime Minister, General Chin Yun-peng on June 28. They demanded the immediate dismissal of General Wang Chan-yuan, Military Governor of Hupeh, confiscation of General Wang's property and payment of adequate compensation to all persons who suffered through the looting at Wuchang. The Prime Minister refused to dismiss General Wang or to confiscate his property stating that the government had no law to justify the confiscation of his property.

Fan Yuan-lien, former Minister of Education, who has been staying at Tientsin, has gone to Peking to mediate between the government and the teachers with the intention of bringing about a settlement of the educational strike. He is planning, according to the *Peking Leader*, to ask four other former Ministers of

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Educations, Wang Ta-hsieh, Chang Yi-lin, Fu Tseng-hsiang and Chang Kuo-kan, to assist him in the work of mediation. Mr. Fan felt a certain responsibility for getting the strike settled, since it begin during his administration.

Mistaking powdered corrosive sublimate for headache powder a young Russian lady, Mrs. Rosenberg, poisoned herself on Wednesday morning at the Savoy Hotel in Tientsin where she was staying with her husband and died from its effects soon after admission to the French Hospital, said the *Peking and Tientsin Times*. As soon as she had realized her fatal mistake, she called for assistance. Medical aid was summoned, and a conveyance was requisitioned to take her to the hospital, where, despite all efforts of the doctor, she succumbed.

On the evening of June 29, the Association of American and Chinese Engineers gave a dinner in honor of Dr. J. A. L. Waddell, the distinguished American bridge construction engineer, in the Hotel de Pekin. Mr. Waddell represents America on the commission which is to judge the plans submitted in the competition for the Yellow River Bridge. He has recently make a trip to the bridge in company with his secretary, T. K. Meloy. After the dinner, Mr. Waddell spoke of the circumstances under which he came to China. Following this Mr. Meloy in a talk outlined the situation with regard to the proposal of the Harvard and Massachusetts Institute of Technology to establish a first class engineering school in China.

The Tientsin Piece Goods Association of foreign firms at a meeting on Wednesday afternoon in the Tientsin Club decided unanimously to accept in principle the terms offered by the Chinese Piece Goods Dealers' Guild. The terms are roughly as follows: 1. Native dealers are to take delivery within ten months of all goods on order and are to pay market value in cash upon taking delivery. 2. Balance of contract price is to be paid in not more than ten equal yearly instalments, and non-interest bearing notes guaranteed by the Bank of China are to be issued covering such payments. 3. Carrying charges on goods are to be borne by foreign firms up to date of delivery to dealer. 4. The Bank of China is to guarantee the native dealers' fulfillment of the conditions agreed upon delivery.

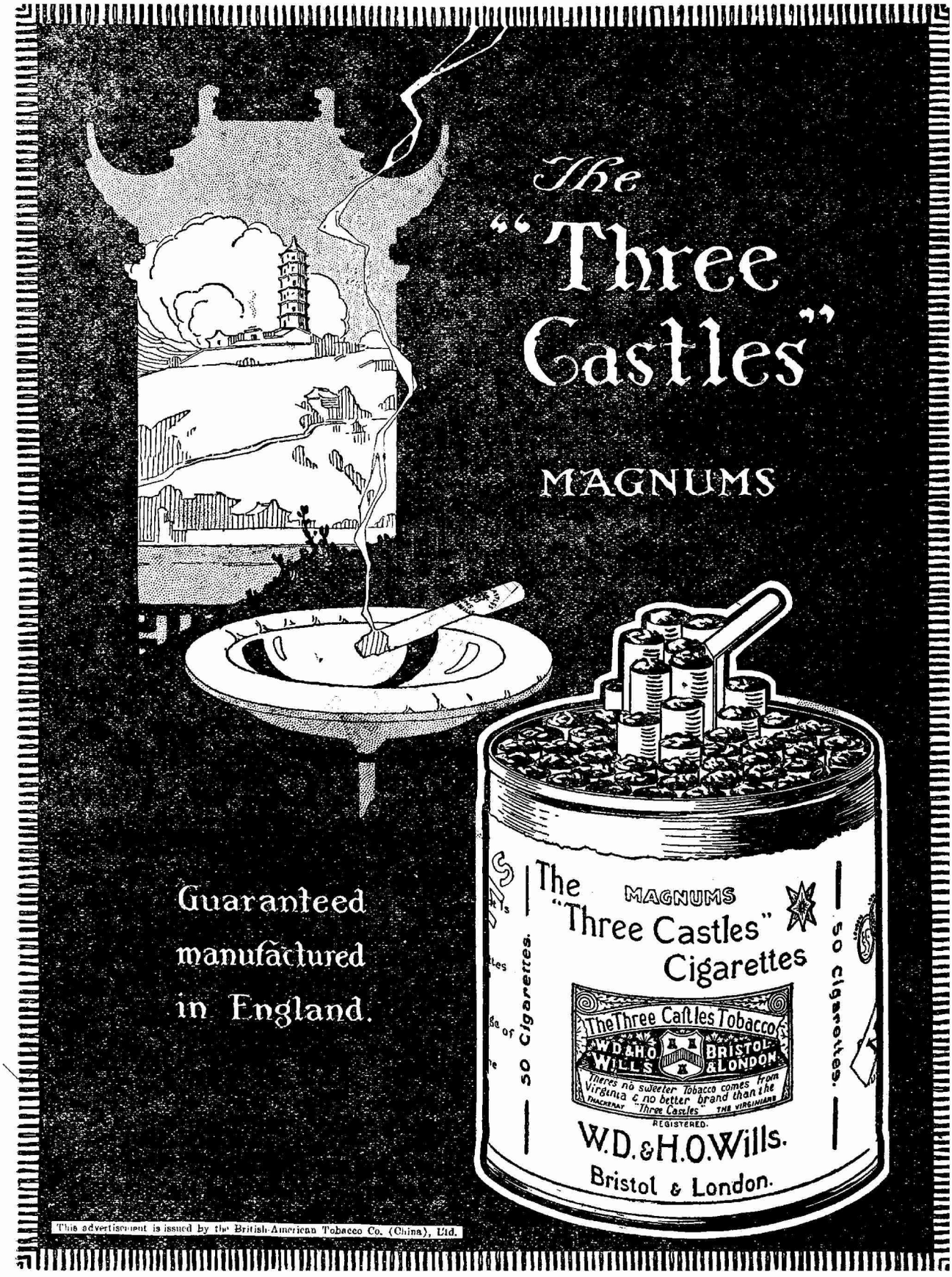
Peking, July 2, 1921.

News from Central China

Chu Pan-chao, representing President Hsu Shih-chang, has come to Hankow to investigate conditions and situation in this center. He is entertained by local officials in Hankow and chairmen of the Hankow Chamber of Commerce.

Dr. W. W. Yen, Minister of Foreign Affairs at Peking, visited Hankow on June 28, to mourn the death of his brother Dr. F. C. Yen at Hankow on June 25. Dr. F. C. Yen was formerly dean of the Hunan-Yale College of Medicine at Changsha. The funeral will take place on July 7.

Captain Robert Dollar, accompanied by Mrs. Dollar and J. Harold Dollar, returned to Hankow last week from a visit to the upper gorges of the Yangtze River on a business trip. After the dedication of the Wuchang Y. M. C. A. new building, he left for Shanghai.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8.00	21.00	dep. Peking Chienmen.....arr.	21.35	7.55
8.18	21.18	,, Paomachang .....dep.	21.19	7.39
8.58	21.50	,, Changsiutitu ..... ,,	20.52	7.14
9.47		,, Liuliho..... ,,	19.58	
10.40		,, Kaopeotien ..... ,,	19.04	
13.34	0.43	,, Paotingfu ..... ,,	17.23	4.24
16.30	3.57	,, Chengtingfu ..... ,,	13.22	1.08
17.36	5.03	,, Shihkiachwang ..... ,,	12.11	0.02
21.27	8.07	,, Shuntehfu ..... ,,	8.33	21.15
0.11	11.41	,, Changteh Ho..... ,,	5.29	17.30
2.48	15.04	,, Sinsiang..... ,,	2.52	14.13
6.13	17.58	,, Chengchow..... ,,	0.26	11.24
7.24	20.48	,, Hsuchow ..... ,,	22.15	3.33
9.14	23.04	,, Yencheng ..... ,,	20.35	6.43
11.11	0.44	,, Chumatien ..... ,,	18.16	4.45
14.09	3.12	,, Sinyangchow..... ,,	15.09	2.13
15.26	4.19	,, S'tien(Chikungshan) ,,	13.46	1.03
18.56		,, Siaokan ..... ,,	9.55	21.50
20.50	9.15	arr. Hankow Tachimen... ,,	8.00	20.00

17-316

The Lianghu Student Summer Conference will be held at Yochow City, Hunan, next week for the benefit of students from Hupeh and Hunan. Prominent Y. M. C. A. leaders, including Dr. Chang Pao-ling, president of Nankai College at Tientsin, will deliver special lectures at the conference.

General Chao Heng-ti, Commander-in-Chief of Hunan, has officially denied the report that he had any part in the reported imminent attack on Hupeh by Li Lieh-chun and agents of the Southern government. He points out this must have been fabricated by conspirators against Tuchun Wang Chan-yuan.

The Shasi Chamber of Commerce has petitioned the provincial authorities at Wuchang requesting them to urge Peking to pay the troops of the Eighth Division at Shasi, who are threatening to revolt on account of shortage of pay. General Wang has telegraphed Peking asking for cash to pay the arrears of soldiers at Shasi.

The Chinese Bankers Association of Hankow has signed a contract with the Government Mint at Wuchang providing for a loan of $150,000 to the mint. Another loan of $150,000 has been advanced to the mint by the Government Bank so that it can operate after being looted during the recent mutiny.

According to Japanese consular census, there are now 2,325 Japanese residents in the Wuhan cities, representing 559 families. of these, there are 1,269 males 1,056 females. In Wuchang there are only three Japanese in one family, while in Hanyang nine Japanese in four families, the rest being in Hankow.

The Mutiny Reparation Committee of Wuchang has presented to the authorities the results of their investigations on damages done in Wuchang. They estimated that $1,300,000 is necessary to relieve the looted shops and reopen business in Wuchang. Part of this sum should be loaned to merchants on security.

Things in Szechuen seem to have settled down according to a dispatch from Chengtu. But it is feared that peace can be maintained only temporarily, and political aspirants are recruiting new troops to strengthen their own positions. Liu Hsiang, the commander-in-chief and other commanders are doing the same, preparing themselves for any future struggle for supremacy.

The Landholders Association of Hankow have unanimously disapproved the proposal of selling among themselves $300,000 Provincial Loan bonds for Hupeh, although the Hankow Chamber of Commerce has agreed to share part of the burden. Members of the Landholders Association hold that there should be no taxation without protection.

Former German merchants in Hankow have mostly returned to the port to rebuild their business here. Some thirty Germans, including women and children, have arrived this week, with some small consignments of German cargoes for sampling. Many other Germans have already made fair progress in reestablishing their business connections in Hankow.

Premier Chin Yung-peng has replied to the repeated appeals of people in Wuchang regarding the dismissal of General Wang. He stated that it is not possible now to remove the General without serious consequences. However, he assured that adequate measures are being taken to prevent further outrages. General Wang has also received instruction to pay up the arrears of his troops.

About four hundred famine refugees from famine districts in Hunan province have fled to Hankow

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recently, and are being taken care of by the Hunan Guild in Hankow. Plans are being made to send these men home to Hunan, where there is a good prospect in the coming harvest. Letters have been sent to Changsha asking the authorities not to send any refugees to Hankow, where the stagnated trade and rice situation are equally embarrassing.

General Wang Chan-yuan, in an interview with a British and a Japanese journalist, declared that there could be no more disturbance in this center. Regarding to current rumors of further revolt here, General Wang alleged that they were agitated by members of the Anfu Club and Kuomintang agents who are conspiring against him in Hankow. In an address before his troops, General Wang declared his intention to remain in his present post though his political opponents were working for his downfall.

All Shanghai masons in Hankow have gone on strike this week on their demand for 700 cash instead of 500 cash a day, being refused by the Kiangsu and Chekiang building contracting companies in Hankow. The latter only agreed to give 620 cash which means an increase of 120 cash a day with food supplied on working days. Some eight years ago, these masons came to Hankow with a daily wage of 360 cash. Leaflets have been distributed to all masons urging them to hold on in the strike.

The third graduating class of Ming Teh University received their diplomas at the university in Hankow on July 1. Hu Tze-ching, founder of the university, is here from Peking to attend the graduation exercises, and to arrange for its extension work for fall term. A. T. Beltchenko, Russian Consul-General at Hankow, Chen Kai, Commissioner of Foreign Affairs, and several leading Chinese bankers in Hankow were present. Ming Teh University, founded by private funds, is the only university in Hankow, its middle school department being located in Changsha.

W. C. Hooker, of the American Bible Society at Chengtu, Szechuen, on his way to Hankow from Ichang retiring from the mission field after thirty years service to America, was drowned at Ichang while taking a sampan to board a steamer. Mr. Hooker was accompanied by Mrs. Hooker, two children and Mr. Squires. The sampan which carried the party from the Ichang bund to the steamer capsized on the midway pouring the whole party into water. Mrs. Hooker, her two children and Mr. Squires were all picked up by men from the steamer *Kiangwo*, the *U.S.S. Elcano* and *Palos*. But Mr. Hooker was lost sight of, and was never found again. The bereaved family passed through Hankow last Thursday enroute to America.

The first conferring of degrees at Hunan-Yale College at Changsha took place on June 18, when Brownell Gage, chairman of the college governing board and dean of the College of Arts, granted twenty degrees of Bachelors of Arts and ten degrees of Doctors of Medicine upon the graduating classes. The authority to grant these degrees was given by the Legislature of the State of Connecticut. Following the granting of degrees. Miss Tseng Pao-sun, principal of the I-Fang Girls Collegiate School of Changsha, distributed the prizes. General Chao Heng-ti, other high officials, and guests from the foreign communities at Changsha, were present at the graduation exercises.

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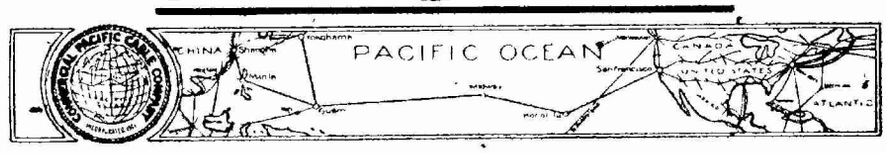

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THE WEEKLY REVIEW

News from South China

The Hongkong Board of Education will this year grant $68,037. to assist vernacular education in the Colony.

The Cantonese force took Waitsap (Weichi) June 23, also Pingchuen, Kwangping, and other Kwangsi towns north of Kwangtung.

The Legislative Council of Hongkong has rescinded its recent resolution increasing the house tax rates there from 13 to 20 percent.

The Department of Public Health of Canton is giving a health exhibition in the Kwangtung Provincial Educational Association grounds, lasting four days from June 27, to July 1.

Yang Wing-tai, formerly Civil Governor of Kwangtung, now accused of being a pro-Kwangsi Cantonese, is now in Hongkong. Press reports stated that he was responsible for the many shipments of arms and ammunitions to Wuchow and other Kwangsi ports from Hongkong.

Y. D. Mark, Deputy Commissioner for Foreign Affairs at Canton, who has been in Samshui since June 20, to look after the interests of foreigners up the West River, has especially been instructed to proceed to Wuchow as acting Foreign Commissioner for that port by Dr. Wu Ting-fang.

Canton press has generally expressed the opinion that Kwangtung success in arms in Kwangsi will check further attempt of Hongkong to secretly assist Kwangsi militarists in order to procure territorial and mining concessions here. There has been no evidence, however, that anything has been done.

Foreign as well as native vessels are subject to search by Chinese authorities on the West River during the present Kwangtung-Kwangsi conflict. As arranged between the Canton Commissioner for Foreign Affairs and the British Consulate General at Canton, the Chinese Customs authorities will accompany the army officers in their examination of foreign vessels.

General Chen Pin-chun, commanding Kwangsi troops at Wuchow, evacuated the port June 25. The Cantonese troops under General Ngai Bonf-ping took Wuchow, June 26. General Chen Chiung-ming, Governor of Kwangtung, arrived at Wuchow the following day, June 27. During the conflict at Wuchow, some foreigners left the port on board the *U. S. S. Pampanga* to avoid danger.

Archbishop Mannix of Australia paid a visit to Hongkong June 24, when he was welcomed by the Catholic community led by Bishop Pozzoni and a party of clergymen. In a sermon at the Roman Catholic Cathedral, the Archbishop said that missionaries from Ireland did not take missionary enterprises for trade or national aggrandizement; nor did they, when they came to a pagan land, look down upon the people.

Dr. S. M. Woo, Commissioner of Public Health of Canton City, has tendered his resignation, as shortage of funds and the reduction of staff in his office as ordered by the City Commission will limit his activities. Because of these and other reasons he has thought best to resign. Five deputy commissioners of departments and several directors of divisions in the city government have been legislated out of office on account of lack of funds to continue the work first planned.

Prominent Canton ladies have organized an association to bring comfort to the soldiers on the front

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in the present Kwangtung-Kwangsi conflict. A bazaar will be held to raise funds, besides entertainments. The officers of the Canton Women's War Relief Association are: Mrs. Sun Yat-sun, president; Mrs. Wu Ting-fang, vice-president; Mrs. Liao Chung Hoi, treasurer; Mrs. Peter Hing, publicity secretary; and Miss Liao Ping Wan, executive secretary.

The Fifth Provincial Educational Conference of Kwangtung, held June 21-30, has been the most interesting one of similar gatherings in Canton. Women attended the sessions as delegates as well as men and served on committees also. Many resolutions calling for appropriations for social education and service have been introduced by delegates from country districts. Great importance was paid to children, and a commission for child welfare was recommended. If the recommendations of the conference were accepted by the government, Kwangtung may see a public school system inaugurated beginning the next year.

The long-talked-of Kwangtung-Kwangsi Provincial war, or the suppression of militarists by the Constitutional government, as it is popularly called in Canton, has begun, the Kwangsi forces first attacking Linshan on the north and Kaochow on the south of Kwangtung. At the beginning Kwangsi forces were successful, but they met reverses all the time since June 24, the first battle taking place June 20, when they made attacks on Linchow districts and Yamchow, Limchow, and Kaochow districts. The Kwangsi Army, headed by Lu Yung-ting, is still aiming at the capture of Southern Kwangtung, where it expects to find an outlet to the sea at Pakhoi in order to receive whatever aids forthcoming either from Peking or from friends and politicians at Hongkong.

Dr. Sun Yat-sen, as the President of the Republic has on June 27, issued a Mandate, in part, stated that upon receipt of report from General Chen Chiung-ming commander-in-chief of troops in Kwangtung, he has learned of the invasion of the districts of Linshan Limkong, and Lingshan by Kwangsi bandits headed by Lu Yung-ting, Chen Pin-chun, and others. On further reports, the President has also learned the retaking of Wuchow from the bandits. The President has expressed the hope that the Kwangsi People will solve their own problems and decide to have self-government, joining the Cantonese in ousting the bandits from the territory. He also instructed the Cantonese troops under General Chen Chiung-ming to relieve the people of Kwangsi from their suffering and assist them in obtaining self-rule. The President, recognizing the difficulty and hardship endured by the Cantonese troops in their campaign during the present hot weather, has commanded General Chen to transmit his appreciation and gratitude to the men on the field.

Dr. Sun Yat-sen's representative at Washington, Ma Soo, reports that Congressman Butler, chairman of the Committee on Naval Affairs of the House of Representatives, has just introduced a resolution requesting the Secretary of State of the United States of America to forward to the House all information and data at the disposal of the State Department relating to the condition of the open door policy in China. It is understood that the resolution has been referred to the Committee on Foreign Affairs. The reasons for Congressman Butler's request, according to Dr. Sun's representative, were the American Secretary of State has recently received from Dr. Sun Yat-sen, the con-

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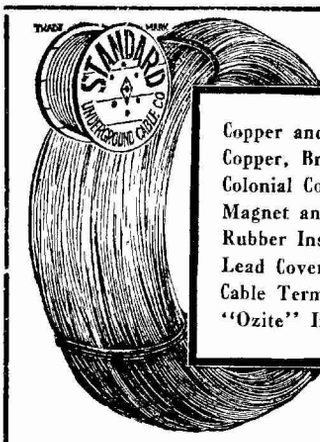

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stitutional President of the Republic of China, an appeal for the recognition of his government in order to thwart foreign machination tending to destroy China's national existence and to reestablish her open door policy announced by John Hay and accepted as international principle until 1915, when Japan secretly presented the Twenty-One Demands; that a great proportion of money lent to Great Britain, Russia, and other countries by the United States has found its way to Japan during the Great War and subsequently by Japan to Peking as loans; and that it is evident that American money may have been directly or indirectly financing ambitions in violation of the open door policy to the detriment of American trade and commerce and may also be materially responsible for complained encroachments on China's sovereighty.

Canton, June 27, 1921.

Week's News Summary

CHINA

June 30. Canton dispatch says Kweilin, capital of Kwangsi, has been taken by Cantonese troops.——Shanghai report says one million and a quarter rounds of ammunition and a half million dollars passed through this port enroute from Peking government to Kwangsi officials.

July 1. Rice situation in Shanghai grows more serious.

July 3. Harbin dispatch says bandits are terrorizing Chinese Eastern Railway villages.

July 5. Cantonese make further gains against Kwangsi.——Banking flurry follows close of Banque Industrille de Chine of Shanghai.

July 6. Shanghai bank situation clears.——Shanghai Municipal Council licensing measure brings closing of all rice shops in International Settlement.

GENERAL

June 30. British coal strike over.——London dispatch says Empire heads favor renewal of Anglo-Japanese Alliance.

July 1. D. Vaeleria, Irish leader, refuses invitation of Lloyd George for conference in London.——President Harding urges Congress for favorable action on disarmament plan——London dispatch says Alliance may be deferred indefinitely as to renewal.

July 2. W. H. Taft named Chief Justice of U. S. Supreme Court.——Sino-German Commercial Treaty called violation of Versailles Treaty in France.——London dispatch says Prime Ministers are divided on renewal of Japanese Alliance.

July 3. Allies hand five notes on reparation matters to Germany,——U. S. Congress enacts resolution ending war with Germany.

July 4. London dispatch believes Alliance will be automatically prolonged for one year without action.——President Harding signs resolution closing U. S. state of war with Germany.

July 5. London dispatch says Soviet government has ordered arrest of all Japanese in Russia.——Retrenchment measures being taken in Philippines.

July 6. London dispatch says Irish peace is near.——Typhoon in Manila causes heavy property damage and loss of few lives.——Poles and Germans quit Silesia.

Current Market Reports

Weekly and Monthly Conditions and Quotations of China's Principal Markets

Weekly Cotton Market Report

By A. B. Rosenfeld & Son

China Cotton.—The market during the past week was again lifeless and the net change in values has been insignificant. Very nearly all the business has consisted of the Stock and Produce Exchange's transfers, July August commitments to new crop positions and various straddle operations between speculators. Straight buying or selling have been negligible.

The general undertone of the market has been fairly good, due principally to the firmness with which spots are still held by local speculators.

There have been no further developments as to the coming crop; the recent rains and cold snap were to be expected under the recent atmospheric conditions and the reports reaching the market are that good progress in general is being made with the coming crop.

For the present it looks as if this scalping market may continue for some time, but we still feel, that barring very bad crop news, the tendency, will gradually be towards a lower level.

Extracts of Correspondence

Kiangsu Province, June 27 :—The cotton in spite of the recent rains and cold snap is exceedingly promising in this territory at present, although it is two or three weeks late. But with favorable conditions from now on till September and a later frost, we expect to make a good crop throughout this section.

Chekiang Province, June 25 :—The conditions in this immediate section are steadily improving. We have had good sunshine weather for the last 48 hours and our farmer friends inform us that it came just at the right time.

Yangtsze Valley, June 23:—Our correspondent returning from the cotton growing sections of the Valley reports that conditions are favorable; the weather has been hot and occasional showers have been beneficial; work has progressed well and the crop is now in a fairly clean condition and is growing well.

Shansi Province, June 29:—The writer took a forty li ride, investigating the crops, and he found them well cultivated, a good top root and good color, in short a very promising outlook.

Chihli and Shantung Province, June 24 :—Weather continues ideal throughout these two provinces and crops are making excellent progress. Stands are from 5 inch to 8 inch high. In fact reports coming in from all sections are most flattering.

Yarn.—Prices in the yarn market during the past week have shown little change and trading continued moderately active. There has been some liquidation of June contracts, which, however, was not sufficient to cause any depression, and leading interests continued active buying of the near positions.

Liverpool, June 30, 1921.

Liverpool Market :—

Good Middling American, Spot	.....	7.25	Pence
" " " July	.....	7.53	"
" " " October	.....	7.99	"

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Market :—*Steady.*

New York, June 30, 1921.

New York Market :—

July	11.46	Cents
October	12.17	,,
December	12.63	,,
Spot	11.60	,,

Market :—*Steady.*

Bombay, June 30, 1921.

Bombay Market :—

Broach, F. G. July/August	Rps. 327	per	Khandy
Fully Good Bengal, July	,, 249	,,	,,
Fine Oomra, July	,, 311	,,	,,

Market :—*Firm.*

Shanghai Market :—

Tungchow Spot ex. Wharf	Tls.	26.00
Shanghai	,,	25.00
,, M-ginned,	,,	25.00
Taichong	,,	26.00

Tone of the Market :—*Steady.*

American Stock Market

The Chinese American Bank of Commerce has received the following telegraphic quotations, dated New York, June 30, 1921.

American Stocks

Liberty Bonds	3rd	4½'s	1928	90.70
Victory Bonds		4¾'s	1922-23	98.50
American Tel. and Tel. Con.		6's	1925	97.⅛
Standard Oil Co. of New York		7's	1931	103.
New York City		4½'s	1965	88.
British-American Tobacco Ltd. Common				12¼
Pacific Development Corp. Stock				10⅜

Weekly Silk Market Report

Shanghai : During the week the following business was reported :

10 B/s	Meinchow Steam Filature	Double Deer	No. 1	Tls.	880
20 ,,	,, ,, ,,	Rising Sun	No. 1	,,	880
10 ,,	Shantung ,, ,,	Imperial Dragon	13/15 No. 1	,,	850
10 ,,	Tussah Filature	Apricot Tree	No. 1	,,	465
10 ,,	,, ,,	Gold Toad	No. 1	,,	435
30 ,,	China Steam Filature	T. F.	12/22 X-1	Tls.	1115
40 ,,	,, ,,	F. L.	,, X-1	,,	1115
20 ,,	,, ,,	S. F.	,, X-1	,,	1110
20 ,,	,, ,,	Double Sea Girl Re-reeled	,, X-1	,,	1200
20 ,,	,, ,,	Progress	,, X-1	,,	1125
30 ,,	,, ,,	C. S.	,, X-1	,,	1120
20 ,,	,, ,,	Three Dancers	,, X-1	,,	1170
30 ,,	,, ,,	Arch of Triumph	,, X-1	,,	1140
200 ,,	Tsatlees Filature	Blue Dragon, Flying	X-1-2	,,	970
50 ,,	,, ,,	Star & Stripes, Red Indian	1-2-3	,,	965

Yokohama : There is a moderate demand for America on the basis of Yen 1620 for Double Extra A and 1440 for Shinshiu No. 1 superior.

Most reelers are not hurrying up the employment of new cocoons, but are still using the old crop, which is held still to a pretty large extent and is comparatively advantageous. Consequently, but a little amount of new silk has been received in Yokohama from the Kwansai District, where it is usually produced earlier than in other places. On the other hand, arrivals of old silk continue to be pretty large in addition to a considerable stock held. Consequently, transactions in old silk have been comparatively active even at the end of June. It seems, however, the buying feeling is now being turned to new silk, which is increasing and has been found finer in quality than the old.

Shanghai Exchange for week ending Wednesday, July 6th, 1921

By Maitland, Fearon and Brand

Exchange:—The London price of Silver at 36⅞d. is 1⅛d. higher than last week. The rate has been effected by China purchases which as far as we are able to gauge have very little to do with the balance of Exports and Imports, the former, remaining very dull, the latter, showing some signs of improvement in the way of deliveries with the advance in exchange and general unrest, politically, in China caused a falling off in this respect. The purchases of silver by China appear to be the result of an upset in the June settlement of Inter-Bank transactions, which created a demand for cash and was aggravated by deliveries of Gold Bars to certain Banks in large amounts by our local Gold Dealers who also wished to secure their cash position. High premium for cash above the official quotation resulted to the extent of 3d, and against these rates Exports of silver have been arranged at rates which show a good profit. Cover for such importations of silver, are not forthcoming from exports, and unless there is a great improvement in this important factor of exchange operations, it may be taken that the arrivals of silver in Shanghai which are now begining and will, we understand, continue, must eventually lead to a fall in our Exchange rates.

Our Market closed steady with 3/7½ for cash T/T on London and 3/7⅝ the official quotation, forward. Compared with the premium offered for cash during the last two days indications are weak.

Our stocks of Silver are reported as follows :—

Sycee and Bar Silver.....Tls. 32,860,000 an increase of Tls. 290,000.
Chinese and Mexican Dollars... $ 27,800,000 an increase of $ 470,000.
Estimated value in Taels Tls. 52,876,000, as against Tls. 50,540,000 held at this time last year.

	Average rates for June	Thurs. June 30	Friday July 1	Sat. July 2	Mon. July 4	Tuesday July 5	Wed July 6
Bk's selling rates		*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*
T/T London	3/4.020	3/5½			3/5½	3/6	3/5
D/Dfts. ,,	—	3/5¾			3/5¾	3/6¼	3/5¾
4m/s ,,	—	3/6			3/6	3/6½	3/5¾
T/T India	258.980	270			270	273	272
T/T France	782.600	810			800	810	805
T/T N. Y.	63.160	64½			64½	65¼	67
T/T H'kong	75.660	76			76	75½	75
T/T Japan	74.910	73½			73¾	72	71½
T/T Batavia	196.140	203			203	205½	211
T/T Straits	69.920	67½			67½	66½	66
Bk's buying rates							
4m/s B/L. Cred. D/A	3/7.020	3/8½	BANK HOLIDAY	BANK HOLIDAY	3/8½	3/9	3/10
6m/s ,, ,,	—	3/9			3/9	3/9½	3/10½
4m/s ,, D/P	3/8.270	3/9¾			3/9¾	3/10¼	3/11¼
4m/s ,, ,,							
4m/s B/F. C., D/A, D/P	882.600	910			900	910	935
4m/s N.Y. Lc.	70.160	71½			71½	72¼	74
4m/s ,, Docs	—	72¼			72½	73	74¼

†Based on Daily Official quotation, higher rate taken on rising Market, lower when falling.	June 30	July 1	July 2	July 4	July 5	July 6
Bullion.						
***London** Price of Bar Silver per oz. (English Standard 925 touch) Pence.	35⅝			35½	35⅞	36⅞
	G. $ 59½	G. $ 59	G. $ 58½	G. $	G. $	G. $ 59⅛
Shanghai Price of Gold Bars (weight Tls. 10 (Chauping) 978 touch	Tls. 352.80	HOLIDAY	HOLIDAY	Tls. 346.60	Tls. 341.60	Tls. 344.41
Shanghai Silver Bars (weight Tls. 100 (C.) 999 touch)	111.00			111.00	111.00	111.41
Shanghai Mexican Dollars per $100	72.225			72.325	72.475	72.3875
Native Bank Rate of Interest (Callmoney)	4%			5%	2%	2%

*Closing Price in London for Previous day.

Bank of England rate of discount	6 %	London on Paris	T/T 46.55
Bank of France rate of discount	7 %	London on Germany	T/T 273
London open Market rate of Discount	3 m/s. 5⅞ %	New York on London	T/T 375
,, ,,	4 m/s. 5⅞ %	Bombay on London	T/T 1/3⅛
,, ,,	6 m/s. 5⅝ %	Hongkong on ,,	T/T 2/7⅛
		Yokohama ,, ,,	T/T 2/6⅛

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Methodist Book Store, The Ginza	Tokio.
Khoo Hock Tye	Penang
China Express Co., 207 Boundary Road	Shanghai.
W. S. Hoe, 76 Bush Lane	Bangkok, Siam.
Commercial Press, 453 Honan Road	Shanghai.
The Range Road Book Store, 516 Range Road	Shanghai.
Chow Zu Kong, Szechuen Road	Shanghai.
Kuo Chi Yuen's Book Store, 24 Teng Shih K'ou Hutung	Peking.
Shanghai-Nanking Railway, News Agents	Shanghai-Nanking.
Lyric Theatre	Manila, P. I.
Commercial Press	Hankow,
Kuang Hua Press, Ltd., 48 Victoria Road	Tientsin.
Methodist Publishing House	Foochow
Kelly and Walsh, Ltd.	Hankow.
Brewer & Company, Hongkong Hotel Bldg.	Hongkong.
Tientsin Press	Tientsin.
Astor House Hotel	Tientsin.
La Librairie Francaise, Grand Hotel de Pekin	Peking.
La Librairie Francaise, Grand Hotel de Wagons Lits	Peking.

All branches of the Commercial Press at the following points in China and the Far East: Amoy, Anking, Canton, Changsha, Chengteh, Chungking, Foochow, Hangchow, Hankow, Hengchow, Honan, Kaifeng, Kirin, Kueiyang, Lanchi, Moukden, Nanchang, Nanking, Paoking, Paoting, Peking, Shinchow, Sian, Singapore, Taiyuan, Tientsin, Tsinan, Wuchang, Wuhu, Yunnan, and during summer only at Kuling and Mokansan.

Copies for inspection may also be found on file at the following places in The Far East.

Library Reading Rooms of all Trans-Pacific Ships of the following lines, Pacific Mail Steamship Company, Nippon Yusen Kaisha, Toyo Kisen Kaisha, Canadian Pacific Steamship Company, China Mail Steamship Company. — — — — — — — — — —

Manila Hotel	Manila, P. I.	Grand Hotel	Yokohama
Oriental Hotel	Canton.	Grand Hotel	Tsingtau.
Hankow Hotel	Hankow.	Yamate Hotel	Dairen.
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Astor House Hotel	Tientsin.	Tor Hotel	Kobe.
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Astor House Hotel	Hongkong.	Oriental Hotel	Kobe.
Hongkong Hotel	Hongkong.	Bellevue Hotel	Nagasaka.
Peak Hotel	Hongkong.	Osaka Hotel	Osaka.
King Edward Hotel	Hongkong.	Imperial Hotel	Tokyo.
Yamate Hotel	Mukden.	Palace Hotel	Shanghai.
Central Hotel	Vladivostok.	Excursionists Hotel	Canton.
Versailles Hotel	Vladivostok.	Victoria Hotel	Canton.
		Western Hotel	Canton.

In addition to the foregoing, complete files of the REVIEW may be found — — at all American Consulates and Legations in the Far East. — —

New Books and Publications

Imagination and Its Place in Education

Imagination and Its Place in Education, by Edwin A. Kirkpatrick. Ginn & Co. New York. 1921.

This a book which every middle school and higher primary school teacher will find worth reading. The curriculum in the great majority of schools in China is too crowded. The teacher, after a short period of enthusiasm is over, is most apt to fall into the habit of being satisfied if the student is able to repeat the facts learned in the textbooks. There is little time to find out what the information learned means to the student. If a teacher on an examination paper finds that St. Paul took a steamer from Caesarea to Rome, he calls it a good story to tell his friends and lets it go at that. What a description means, of course, depends upon previous experience. The foreign teacher in China is constantly in need of being reminded of the difference between his experiences and those of his pupils. This book shows the necessity of taking the time to form correct images in the minds of the pupils, instead of trying to cover too much ground with no surety that images are thus formed.

The book as the name implies deals with a psychological discussion of imagination and its proper use in connection with school work. Imagination is defined as the viewing of the absent as though it were present, and this definition is contrasted with the popular view that imagination is only concerned with the untrue and unreal. Imaginative activity is classified under three types:—reproductive, which is closely akin but not identical with memory; construction by which one able to form pictures from words or symbols; and creative imagination, in which images are formed in accordance with emotions or desires or purposes. How completely imagination of all kinds is based upon experience, the laws which govern its relationship to the emotions, the part it plays in reasoning and other mental processes is explained and illustrated by quotations. There is an interesting chapter on dreams and a psychological explanation of hallucinations and illusions.

The second part of the book shows the development of imagination at different ages from the time a baby first anticipates a sensation it will receive, through the period of imaginative play, to the time when a youth has day dreams of future achievements. The forming of worthy ambitions and high ideals is a possible good result of imagination, but it may also result in sentimentality, lying, and unreasonable fears.

The last part of the book is devoted to the use of imagination in studying ordinary school subjects. Although the references are almost entirely to the teaching of elementary classes, the conclusions may be applied equally well to secondary education. This is the section which is particularly valuable to a teacher, for school work is so apt to become the parrot-like learning of words, facts, and general truths, without a realization of the real things back of the information. The author shows how the forming of vivid and accurate images is essential in studying geography, history, and literature.

J. R. N.

North China Star

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ARCHAEOLOGICAL SECTION—LITERARY SUPPLEMENT—NEW COMMERCIAL SECTION

Publishers: EAST AND WEST, LIMITED, 3, Victoria Street, London, S. W. 1.

What the Ships Carry Between America and China

(Taken from the Daily Returns of the Shanghai Customs from Friday, June 17, to June 25, 1921)

(Key: Pls.—1 Picul or 133 1/3 pounds; Bls.—Bales; Pcs.—Pieces; Mi.le—thousands; Hk. Tls.—Haikwan Taels, Customs Rate May Tael 1.47 equal $1. Gold.)

S. S. Columbia, from U. S. A , May 27

Cotton, Raw, Bls. 150.....	Pls.	569
Iron, Galvanized:		
Wire Shorts.....	,,	864
Tinned Plates, Plain.....	,,	398
Butter.....	,,	11
Cheese.....	,,	43
Canned Fruits.....	,,	32
Fruits, Dried.....	,,	41
Hops.....	,,	11
Ink, Printing.....	,,	14
Leather, Patent.....	,,	5
Oranges, Fresh.....	,,	341
Packing, Rubber.....	,,	4
Sugar of Milk.....	,,	84
Tobacco, Leaf.....	,,	1,592
Chocolate.....	Lb.	4,400
Lemons, Fresh.....	Pcs.	154,500

S. S. M. S. Dollar, from U. S. A., June 1

Brass Tubes.....	Pls.	5
Iron Angles.....	,,	118
,, Pipe.....	,,	487
,, Pipe Fittings.....	,,	664
,, Tacks, Cut.....	,,	34
Iron Galvanized:		
Pipes.....	,,	546
Pipe Fittings.....	,,	9
Wire Shorts.....	,,	1,657
Tinned Plates, Plain.....	,,	191
Canned Fruits.....	,,	114
Cotton, Raw, Bls. 200.....	,,	712
Fruits, Dried.....	,,	9
Ink, Printing.....	,,	11
Leadfoil and Tinfoil, Mixture..	,,	213
Milk, Condensed.....	,,	933
Oil, Unclassed.....	,,	6
Paper, Coloured.....	,,	6
,, Writing.....	,,	35
Paint, White Zinc.....	,,	34
Wax, Paraffin.....	,,	595
Clocks.....	Pcs.	109
Motor-cars.....	,,	1
Canned Fish.....	Doz.	30
,, Fruits.....	,,	20
,, Vegetables.....	,,	101
Catsup.....	,,	30
Milk, Malted.....	,,	760
Paint, Enamel.....	Galls.	360
Paints, Unclassed.....	,,	949
Varnish.....	,,	192
Cigarettes.....	Mille	80
Machinery.....	Hk.Tls.	698,236

S. S. Yamashiro Maru, June 14.

To New York.

Walnuts, Kernels.....	Pls.	75

S. S. Columbia, June 14

To Honolulu.

Tea, Scented, Shanghai.....	,,	1
Canned, Meats.....	Doz.	36

To San Francisco.

Silk Piece Goods.....	Pls.	1.09
,, Pongees, Shantung.....	,,	69.77
Books, Printed.....	,,	19
Fgg, Albumen, Dried.....	,,	59
,, Yolk, Dried.....	,,	169
Vegetables, Salted.....	,,	18
Walnuts, in Shell.....	,,	1,604
Carpets.....	Pcs	39
Canned Fish.....	Doz.	52
,, Meats.....	,,	126
Treasure, Gold Bars.....	Hk.Tls.	171,637

Foreign Goods.

Whisky.....	Galls.	3,667

To Baltimore.

Egg, Albumen, Dried.....	Pls.	101
,, Yolk, Dried.....	,,	455

To Los Angeles.

Oil, Wood.....	,,	284

To New York.

Silk, Raw, Steam Filature:

White, Shanghai, Bls. 20..	Pls.	19.72

Silk, Raw, Filature:

Wild, other Ports, Bls. 10...	,,	10.00
Silk Pongees, Shantung.....	,,	24.34
Strawbraid.....	,,	25
Wool, Sheep's.....	,,	253
Carpets.....	Pcs.	25
Skins, Lamb.....	,,	65,000
,, Weasel.....	,,	1,806

To Philadelphia.

Tea, Scented Shanghai.....	Pls.	2

To San Francisco.

Oil, Wood.....	,,	286

S. S. Suruga, June 15.

To Boston.

Skins, Goat, Untanned.....	Pcs.	21,130

To New York.

Egg Albumen, Dried.....	Pls.	1,092
Feathers, Duck.....	,,	4

S. S. Siberia Maru, June 15.

To New York.

Silk, Raw, Steam Filature:

White, Shanghai..Bls. 115	Pls.	114.07
,, other Ports, ,, 10..	,,	4.95

Silk, Raw, Filature:

Wild, other Ports..Bls 60..	,,	60.24
Silk Pongees, Shantung.....	,,	7.71

To San Francisco.

Groundnuts, in Shell.....	,,	168
Intestines, Pig.....	,,	35
Oil, Wood.....	,,	3,361
Walnuts, in Shell.....	Pls.	225
Carpets.....	Pcs.	4

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The United States Court for China

(Established by Act of Congress of June 30, 1906).

JUDGE, Charles S. Lobingier.

DISTRICT ATTORNEY, Chauncey P. Holcomb.

COMMISSIONER, Ferno J. Schuhl.

CLERK, William A. Chapman.

MARSHAL, DISBURSING OFFICER, } Nelson E. Lurton.

DEPUTY MARSHAL, James L. Gardiner

OFFICE HOURS 9-1; 2-5.

TIENTSIN:

DEPUTY MARSHAL, William T. Collins.

CANTON:

DEPUTY MARSHAL, William R. Lynch.

All Notices, Announcements, Judgments, Orders and other Proceedings appearing in this department of MILLARD'S REVIEW may be accepted as authentic.

Motion Day.

All contested motions and demurrers will hereafter be heard on Mondays, beginning at 3 P. M.; provided notice thereof with proof of service on the adverse party or his attorney shall have been filed in the Clerk's office by 1 P. M. of the preceding Saturday.

Minutes of Recent Proceedings

Hearings:

July 5, 1921, Cause No. 1137, Dollar Lumber Co. v. China & Mongolia Export Co., In.; on motion for dismissal.

" 5, " " " 1409, In re Mariano Muyot's Estate; on petition for letters of administration.

" 6, " " " 1406, In re John R. Hykes' will; on petition for probate and letters of testimentary.

" 6, " " " 1417, In re Anne Hall Starrett's estate; on petition for letters of administration

ELLIS EZRA PLAINTIFF v. L. GLEMBY, DEFENDANT

(*Cause No. 1332; filed April 14, 1921.*)

SYLLABUS.

(*By the Court*)

1. **STATUTE OF FRAUDS:** WORDS AND PHRASES. The terms "goods, wares and merchandise" and "personal property" used respectively in the two forms of the Statute of Frauds enacted by Congress are substantially synonymous.

2. ID.: MONEY is included within the terms of either statute and contracts for its delivery above the value of $50. must be in writing.

3. ID. The requirement that the subject matter of such a contract must be *in esse* does not mean that it must be actually in the vendor's possession nor distinguishable from other property of the same kind.

F. J. Schuhl, Esquire for the demurrant.

Stirling Fessenden, Esquire, contra

LOBINGIER, J.:

Defendant demurs to a petition alleging

> "That on or about the twenty-fourth day of August, 1920, at Shanghai, China, the Plaintiff and Defendant entered into a verbal contract whereby Plaintiff purchased of Defendant, and Defendant sold to Plaintiff, Ten Thousand Pounds Sterling to be delivered by Defendant to Plaintiff in the month of December, 1920, at the rate of six shillings and two pence, for one Shanghai Tael."

The principal ground of the demurrer is that the contract appears by the averments just quoted to be within the Statute of Frauds and the demurrant invokes that form of the said Statute which appears in the Act of Congress of June 6, 1900 declaring void,

> "an agreement for the sale of personal property at a price not less than $50. * * * unless the same or some note or memorandum thereof expressing the consideration be in writing."[1]

We are disposed to agree with plaintiff's counsel that the form of the statute in force here is that contained in the later Act of March 3, 1901 which provides:

> "No contract for the sale of any goods, wares, and merchandise for the price of fifty dollars or upward shall be allowed to be good except the buyer shall accept part of the goods so sold and actually receive the same or give something in earnest to bind the bargain or in part payment, or that some note or memorandum in writing of the said bargain be made and signed by the parties to be charged by such a contract or their agent thereunto lawfully authorized."[2]

1. 31 U. S. Statutes at Large, Sess. I, Ch. 786, Tit. 3, Sec. 1044.

2. Id., Sess. II, Ch. 854, Sec. 1119.

IN THE UNITED STATES COURT FOR CHINA

In re
MARIANO MUYOT'S ESTATE
Deceased.

Cause No. 1409
Special Proceeding No. 402

NOTICE

Pursuant to an Order of said Court, notice is hereby given to all persons having claims against the estate of Mariano Muyot, deceased, to present the same, with vouchers, to the undersigned, at Shanghai, China, on or before January 10, 1922, and all persons owing debts to said deceased are hereby notified to make payment of the same in due course to the undersigned.

N. E. LURTON,
Administrator,
11 Whangpoo Road
Shanghai

Shanghai, China, July 9, 1921.

(Before the Commissioner)

July 1, 1921, Cause. No. 1411, U. S. v. Phillips; testimony taken of Taylor and defendant.

,, 6, ,, ,, ,, 1414, U. S. v. Ching testimony taken of Toh, Yue and defendant; continued until July 7.

,, 7, ,, ,, ,, 1414, U. S v. Ching; testimony taken of Pung, Sung, Tsu, Liu and defendant.

,, 7, ,, ,, ,, 1415, U. S. v. Coleman; testimony taken of Randell, Ross, Catchard and defendant

Judgments and Orders:

July 5, 1921, Cause No. 1137, Dollar Lumber Co. v. Ching & Mongolia Export Co., Inc.; order of dismissal.

,, 5, ,, ,, ,, 1096, Hanish v. Fearon, Daniel & Co., judgment for plaintiff.

,, 5, ,, ,, ,, 1409, In re Mariano Muyot's Estate; order for letters of administration

,, 6, ,, ,, ,, 1406, In re John R. Hykes' Will; order for letters testamentary.

,, 6, ,, ,, ,, 1417, In re Anne Hall Starrett's Estate; order for letters of administration.

(By the Commissioner)

July 1, 1921, Cause No. 1411, U. S. v. Phillips; dismissal.

,, 7, ,, ,, ,, 1414, U. S. v. Ching; dismissal.

,, 7, ,, ,, ,, 1415, U. S. v. Coleman; dismissal.

Miscellaneous Filings:

July 1, 1921, Cause No. 1276, In re E. H. Yost's Estate; inventory.

,, 2, ,, ,, ,, 1137, Dollar Lumber Co. Vs. China Mongolia Export Co.; motion to dismiss.

,, 2, ,, ,, ,, 1412, In re Estate of Ellen S. Nordstrom; petition; inventory.

,, 2, ,, ,, ,, 1410, American Express Co. vs. Heen; Marshal's return of summons.

,, 5, ,, ,, ,, 1408, In re Mariano Muyot's Estate; deposition; bond; oath; letters of administration.

,, 5, ,, ,, ,, 1406, In re John R. Hykes' Will; deposition.

,, 5, ,, ,, ,, 1413, U. S. vs. Felix Gorduque; information; warrant issued.

,, 6, ,, ,, ,, 1414, U. S. vs. D. K. Ching; complaint.

,, 6, ,, ,, ,, 1415, U. S. vs. M. L. Coleman; complaint.

,, 6, ,, ,, ,, 1396, Weeks vs. Oliner; motion.

,, 6, ,, ,, ,, 1416, In re Wilbur Charles Hooker's Estate; petition; depositions.

,, 6, ,, ,, ,, 1417, In re Anne Hall Starrett's Estate; petition; deposition; oath; letters of administration.

,, 6, ,, ,, ,, 1395, Purity Candy Co. vs. F. J. Raven et al; answer.

But we doubt if there is any real difference in the meaning of the two provisions for the phrase "goods, wares and merchandise" is merely the older equivalent, in English legal phraseology, of the more modern term "personal property"[3] This Court has already held[4] that contracts for the sale of shares are within the Statute of Frauds and there would seem to be even more reason for holding that contracts for delivery of money are within the Statute; for money is personal property[5] and such are the decisions[6] in the few cases where the question has arisen.

Plaintiff's counsel cites authorities[7] to the effect that the subject matter of the contract must be *in esse* at the time of its formation in order that the Statute may apply. These were cases of shares not yet issued. But in the petition before us there is nothing to indicate that the money "to be delivered by defendant to plaintiff" has yet to be issued or coined. Presumably it is money already in existence and there is nothing in the averment which would permit us to infer the contrary. That it is at present indistinguishable from other money seems to us no more objectionable than if the subject were grain actually in storage but not yet acquired by the vendor.

Nor can we speculate as to whether the parties to the contract actually intended that the money should be delivered. The petition alleges, and the demurrer admits, that they so contracted and the sole question before us is whether such a contract is enforcible. Certainly it would not become any more so by showing that the parties did not intend to comply with its terms.

Without considering, therefore, the other grounds advanced we are of the opinion that the petition states a contract to which the Statute of Frauds applies and the demurrer must, accordingly, be

SUSTAINED

3. Cyc. XX, 1268
"The word "goods" is a word of large signification; and so is the word "merchandize. *Merx est quicquid vendi potest.*" Baldwin v. Williams, 3 Metc. (Mass.) 367.

4. Bell v. Sauer, 1 Extraterritorial Cases, 240,242.

5. Words and Phrases, VI, 5356 and citations; Anderson Law Dictionary, 490.

6. Riggs v. Magruder, 2 Cranch, C. C. 143, 20 Fed. Cases 787; Peabody. v. Speyers, 56 N. Y. 230.

7. Gadsden v. Lance, 1 McMullan's Eq. (S. C.) 87, 37 Am. Dec. 548.

IN THE UNITED STATES COURT FOR CHINA

In re Estate of
EMMA FULLER,
Deceased.

Cause No. 1373
Estate No. 398
NOTICE TO CREDITORS

NOTICE is hereby given to all parties interested that the undersigned has been appointed Administrator of the above named decedent's estate and that all persons having claims against the said estate are required to present the same for payment, with vouchers, to the undersigned on or before December 25, 1921, and all persons owing the said deceased are required to make payment to the undersigned.

ALFRED G. FULLER
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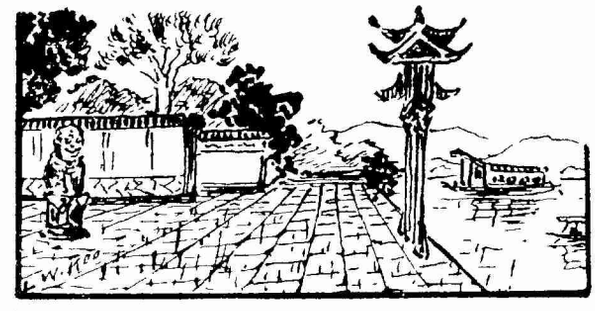
The following guests have registered at the Grand Hotel Kalee during the week: Miss S. J. Dissosway, Kyoto; H. D. Hansen; S. B. Sanbrm; Le Bunetel, Tientsin; Mr. and Mrs. L. Soyka; Mrs. S. Dynovska, Newchwang; Miss A. Dynovska, Newchwang; P. M. Buchholz, Sydney; Pau Tso Shing Soochow; Wm. H. Snowden, Peking; H. Bagger, Woosung; Lee and Son, Kiukiang; Mrs. A. Lambelet; A. E. Olson; A. Rosenblatt; Lehrke; Dr. and Mrs. Edmond, Ningpo; E. Navon, Singapore; C. H. Soper, Weihaiwei; J. L. Sanderson; Paul B. Kelly; Mr. and Mrs. E. L. Koskinen, Tsingtao. Mrs. M. Olivecrona, Yokohama; P. Demieville, Hongkong; Mrs. Palmer, Hankow; F. S. Souza, Kobe; Mrs. Trorup, Shanghai; Dr. Bouvier, Hsiphong Mr. and Mrs. M. G. Tenksbury, Shanghai.



Chinese Government Railways

Approximate Return of Traffic for the period from February 21 to February 28, 1921

Name of Line	Passenger Revenue	Goods Revenue	Sundries	Total Revenue	Compared with same period last year Increase	Compared with same period last year Decrease	Accumulated Total Since Jan. 1 Present year	Compared with same period last year Increase	Compared with same period last year Decrease	Compared with same period last year Percentage of In. or Dec.	Traffic train miles run Accumulated Total Since Jan. 1	Compared with same period last year Increase	Compared with same period last year Decrease	Compared with same period last year Percentage of In. or Dec.
	$	$	$	$	$	$	$	$	$	%	$	Miles	Miles	%
Peking-Hankow	144366	520702	208	665276	154358	.....	3629565	.....	339854	-9.36	654500	.....	2818	0 43
Peking-Mukden	217511	339936	13244	570691	319756	.....	4122460	996532	.....	24.17	.....	.....	.....	.....
Tientsin-Pukow	149007	217462	7251	373720	41168	.....	2588938	192582	.....	7.44	.....	.....	.....	.....
Peking-Suiyuan	25815	98005	3303	127123	7617	.....	915521	.....	236407	-25.82	195432	24803	.....	12.68
Shanghai-Nanking	115047	56086	3693	174826	54108	.....	1096192	186236	.....	16.98	245801	3998	.....	1 62
Shanghai-H-Ningpo	57726	16468	874	75068	30254	.....	454386	80853	.....	17.78	126491	.....	1827	1.44
Cheng-Tai	15169	52238	133	67545	11968	.....	552268	.....	165147	-29.90	109480	.....	13732	-12.54
Canton-Kowloon	26379	2795	700	29874	5514	.....	220076	49179	.....	22.35	42680	.....	1263	-2 95
Kirin-Changchun	12243	53224	186	65653	6693	.....	475289	79231	.....	16.67	70376	4393	.....	6 24
Taokow-Chinghua	4432	18771	326	23529	4296	.....	125865	.....	18961	-15.07	31653	.....	4624	-13 66
Chuchow-Pinghsiang	1085	5368	.....	6453	.....	2267	42595	.....	47745	-112.09	11958	.....	16662	-139 34
Canton-Samshui														
Changchow-Amoy	598	22	223	843	581	.....	4279	1470	.....	34.35	3611	2008	.....	55 61
Kaifeng-Honan	20581	24761	550	45892	24873	.....	269404	33549	.....	12.45	46908	1592	.....	3 37
Wuchang-Changsha	17443	118781	.....	136224	104577	.....	301139	31222	.....	10.36	76066	32574	.....	42.82
Sau-Tao	4708	10638	62	15408	.....	7768	102848	.....	46083	-44.82	13270	.....	6309	-47 54
TOTAL	812110	1535257	30758	2378125	755728	.....	14900825	796657	.....	5.35	1628226	22136	.....	1.36

H. H. CHENG
Chief of Railway Department, Ministry of Communications